

John 10:15

MARKET FOCUS

Seoul braced for volatile year

The Seoul market after South Korea's best performance in the Asian crisis has been hit by the year's volatility. The market has fallen 10% since the start of the year, but analysts believe it will be a volatile year for the market.

The Seoul market's volatility is expected to continue throughout the year. Analysts believe that the market will be hit by a number of factors, including the Asian crisis and the volatility of the Korean won.

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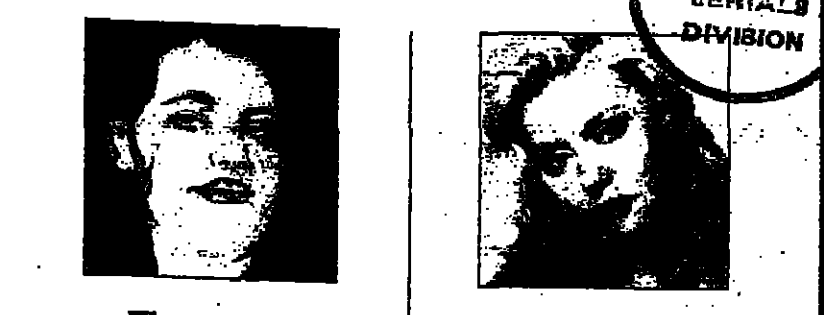
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Weekend



The return of Monica: it's not déjà vu but deliverance

Sex and business: Shere Hite on revolution in the boardroom

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FT FINANCIAL TIMES

FEBRUARY 6 / FEBRUARY 7 1999

Weekend Colour magazine



Paint it black: some dark thoughts for Valentine's Day

how to spend it: Buying into the British film industry

Page XI

BMW chairman forced out in boardroom coup

Upheaval leaves German car group vulnerable to takeover

By Haig Simonian, Robert Taylor and Uta Harnischfeger

BMW, the German luxury carmaker, last night removed both its chairman and de facto number two in a boardroom coup that could end executive rivalry but will almost certainly leave the group vulnerable to a takeover bid.

The surprise departure of Bernd Pischetsrieder, chairman, and Wolfgang Reitzle, head of product development, followed a huge boardroom bust-up that sent tremors through corporate Germany.

Mr Pischetsrieder will be replaced by Joachim Milberg, the little-known board member responsible for production.

The changes came after an eight-hour meeting of BMW's supervisory board to assess progress in improving profitability at Rover, the embattled UK carmaker, bought by BMW in 1994.

The departure of Mr Pischetsrieder, chairman, and Mr Reitzle, head of product development, followed a huge boardroom bust-up that sent tremors through corporate Germany.



Out of the fast lane: Pischetsrieder helped make BMW one of the world's most profitable car groups

improve profitability could threaten the future of Rover's Longbridge plant, near Birmingham, England, the company's biggest but least utilised factory, which has 14,000 employees.

Late last year, Rover won workers' agreement for a radical new flexibility deal to secure future investment at the plant.

Although Longbridge had been scheduled to build the new Mini, due in 2001, BMW had deferred commitments to the successors to the mass market 200 and 400 models until assured of higher UK productivity. The future of those models will now be in question, amid fears Rover could be reduced to a niche car specialist focusing on the Land Rover, Mini and MG brands.

replace him with Mr Reitzle was blocked by workers' representatives on the supervisory board, triggering the impasse in which both men were obliged to go.

Yesterday's developments sparked criticism of the Quants in particular. "It is a scandal," said one industry observer.

Rover's could face a much tougher future under Mr Milberg. The UK operation is believed to have lost up to £100m (£80m, £50m) last year on the back of poor sales, restructuring costs and the strength of sterling.

Rover's UK market share collapsed to 4.7 per cent last month, putting it behind not only Ford and Vauxhall, the two traditional leaders, but also Peugeot, Renault and Volkswagen.

While foreign sales have climbed, profits from exports have been hit by the strong pound.

Any more radical attempts to



A Jordanian praying for King Hussein in Amman yesterday

Jordan prepares for king's death

By Judy Dempsey in Amman

King Hussein of Jordan was on life-support machines last night after doctors said he had suffered kidney and liver failure.

He had returned home from the US where he had undergone an unsuccessful bone marrow transplant to treat his cancer.

On his arrival in Amman, the 63-year-old monarch was rushed to the capital's Hussein Medical Centre, where his family, including the recently appointed successor, Crown Prince Abdullah, the king's eldest son, waited by his bedside.

State-controlled radio and television issued medical bulletins throughout the day. One statement from the information ministry criticised "foreign government news reports" that had claimed the king was already dead. The statement said King Hussein was "still alive", in intensive care, and "gravely ill".

Throughout the day, television programming was sombre, an indication that the country of 4.5m people was being prepared for the king's death.

With governments accepting

Job and wage rises put pressure on Fed

By Gerard Baker in Washington

US workers enjoyed another bumper month in January as the rapid pace of job growth continued, unemployment remained at its lowest level in 25 years and average earnings recorded a second consecutive month of strong gains.

Non-farm payrolls increased by a seasonally adjusted 245,000 in January and the jobless rate stayed at 4.3 per cent, the Commerce Department reported yesterday. The figures are the first firm indication that the economy has maintained its robust momentum into 1999.

The economy's strength, producing increasingly tight labour

News General

Kosovo talks to open in Paris

Kosovo peace talks scheduled to start near Paris today will bring together a Balkan mix of former political prisoners, academics and headline socialists. A US-drafted peace plan seeks to install democracy in a remote region soaked in blood left by occupying armies, kings, despots and dictators. Page 2; Peace deal, or else, Page 7

Mandela calls for new patriotism in South Africa

President Nelson Mandela of South Africa, in his last State of the Nation address, lamented continuing tensions between blacks and whites and called for a "new patriotism". Page 4

New accusation against Deutsche over Auschwitz

Deutsche Bank was more deeply involved in the construction of Auschwitz concentration camp than it admitted this week, according to the Simon Wiesenthal centre in Los Angeles, which probes Holocaust activities. Page 5

Brazil makes former Soros adviser central bank chief

With the Brazilian economy reeling, politicians are venting their frustration against speculators. Yet President Cardoso has picked a new central bank president from within enemy ranks - Américo Fraga, former senior adviser to George Soros, the billionaire investor. Page 7

French elite on trial

A court convenes next week to determine whether former French prime minister Laurent Fabius and members of his cabinet are criminally responsible for the scandal of haemophiliacs who died from infected blood at the onset of the AIDS epidemic. But the secretive civil service is also on trial. Page 7

News Business

Investors besiege US hedge fund

Convergence Asset Management, the hedge fund run by former Salomon Brothers trader Andrew Fisher, is under pressure from investors seeking their money back after suffering big losses in recent months. One investor is seeking to place one of Convergence's feeder funds into liquidation, which has led Mr Fisher to offer make it easier for investors to get their money out. Page 24

Oracle's Japan arm soars 73% on debut in Tokyo

Japanese investors succumbed to high-tech fever as shares in Oracle Japan, a unit of the US software company, jumped nearly 73 per cent on their debut on the Tokyo over-the-counter market. Page 24

Delphi IPO gets warm welcome on Wall St

General Motors' stock exchange spin-off of Delphi Automotive Systems, its parts operation, received a warm welcome on Wall Street as investors welcomed the company's long-term restructuring strategy. The Delphi IPO - worth \$1.7bn - was the largest of the year, comprising 17.7 per cent of the company. Page 24

European sources quiet as rates remain unchanged

European stock markets ended the week on a quiet note, after the European Central Bank had left interest rates unchanged on Thursday. The transnational FTSE Eurotop 300 index fell 0.5 per cent, although bourses in the euro bloc edged higher on average, with the Dax in Frankfurt gaining 0.7 per cent. Henkel was the best performing Dax component after it said it would spin off its chemicals operations. Bonds, Page 8; Currencies, Page 9; London Stocks, Page 17; World Stocks, Pages 20-21

Liberty Life set for talks on merger

Donald Gordon, founder and chairman of South Africa's Liberty Life, is to retire after more than four decades at the helm. This opens the way for another attempt at a merger between the life assurance group and Standard Bank Investment Corp. Page 23

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NEWS DIGEST

NEW MIYAZAWA INITIATIVE

Indonesia secures \$2.4bn in aid from Japanese

Indonesia has finally secured \$2.4bn in funds from Japan under the New Miyazawa Initiative but the amount falls far short of the \$5bn the Indonesian government had been seeking. The funds, announced yesterday by the Japanese finance ministry, will be provided through the Japan Export-Import Bank, which will extend \$1.5bn in loans, and the Overseas Economic Co-operation Fund, which will provide the remaining \$900m in development aid.

The Japanese commitment of funds comes on the heels of a visit by Ginandjar Kartasasmita, Indonesia's top economics minister, to Japan with a list of proposals from the Indonesian government for how the funds might be used. The Japanese government had insisted that funds would only be disbursed for specific programmes proposed by the Indonesian government that were judged to be of benefit to economic recovery. However, it has yet to be determined in detail how the \$2.4bn will be used by Indonesia. Michio Nakamoto, Tokyo

HONG KONG

Fraud case approach queried

Hong Kong legislators are to mount a vote of no confidence in the secretary of justice over her failure to prosecute Sally Au, who was named but not charged in a fraud involving her publishing company. Three executives of the company, Sing Tao, received prison sentences last month.

Elsie Leung, the secretary for justice, explained her reasons for not prosecuting Miss Au to legislators on Thursday. These reasons included insufficient evidence and "public interest" concerns that a prosecution would have an impact on her company, which is a big employer.

Her reasoning failed to win over legislators, and the Legislative Council's legal representative, Margaret Ng, plans to move a vote of no confidence. Another legislator, Leung Yiu-chung, plans to introduce a motion calling for Miss Leung to resign.

While these bills will find support among the Legislative Council, which has taken up public concerns that the spirit of equality before the law has been undermined by the sparing of Miss Au, Hong Kong's chief executive remains firmly behind Miss Leung. Miss Leung also rejected calls from the Bar Association to seek a second opinion in the case. The Bar Association said a second opinion would allay fears and address concerns both in Hong Kong and internationally. Louise Lucas, Hong Kong

UN ENVIRONMENT AGENCY

UNEP wins bigger budget

Donors have authorised a \$120m budget for the United Nations environmental arm Unep for 2000-2001, the full amount it requested and a shot in the arm for the organisation's bid to reassert itself as the world's leading environmental organisation.

The 20th session of Unep's governing council, held at its Nairobi headquarters, stood in stark contrast to the February 1997 meeting, when ministers - led by the UK - stormed out after a heated late-night dispute with Nairobi-based permanent representatives.

"The mood was a total contrast to two years ago," said Michael Meacher, the UK environment minister. "I would see this meeting as a launch-pad for Unep's revival. Unep is back in action - watch this space."

Klaus Töpler, the executive director brought in last year to reform the organisation, said the 11 per cent increase from the 1998-1999 budget marked a strong show of support at a time when many UN agencies are facing cuts. Mr Töpler claimed that donors were attracted by Unep's new "corporate identity", with a clear vision and five core goals. Nevertheless, contributions for 1998 fell \$6m short of a pledged \$53m, he said. Mark Turner, Nairobi

MALAYSIAN ECONOMY

More capital controls eased

Malaysia yesterday further relaxed some of the capital controls it imposed five months ago to restrict money flowing out of the country and destabilising the economy.

Bank Negara, the central bank, said it was loosening the regulations covering the import and export of ringgit for border traders between Malaysia and Thailand.

They can now be in possession of up to M\$10,000 (US\$2,630) instead of just M\$1,000, and they will not have to fill out a form to declare how much currency they have each time they cross the border.

The change came a day after the authorities lifted the 12-month ban on the repatriation of foreign investments in the stock market and established a series of exit taxes in its place. Sheila McNulty, Kuala Lumpur

RUSSIAN BUDGET

Spending cuts approved

The Russian parliament yesterday approved the 1999 budget in its fourth and final reading, clearing the way for its ratification in the next few weeks.

The vote marked a step towards dealing with the country's economic crisis, but still falls considerably short of the conditions that officials at the International Monetary Fund believe necessary to win additional financial support.

The latest version - criticised for assumptions on inflation and exchange rates that many consider unrealistic - cuts spending by the presidential administration by 20 per cent, and sets out total income of Rb\$474bn (\$20bn) against expenditure of Rb\$575bn.

The IMF said last night its special mission was returning to Washington this weekend without yet reaching agreement on policies for this year and in the medium term. But it said that "progress" had been made and it would review new measures currently being prepared by the government.

Yevgeny Primakov, the prime minister, said approval of the budget was an "historic act", and pledged to make good arrears on pensions by the middle of the year. He also stressed a renewed clampdown on corruption and tax evasion, saying a third of companies paid no social security contributions. Andrew Jack, Moscow

ETHIOPIA CLAIM

Eritrea accused of air attack

Ethiopia yesterday accused Eritrea of bombing the northern town of Adigrat, close to their disputed border, but Eritrea said the claim was a "complete fabrication".

The Ethiopian foreign ministry said Eritrea's intended target was a fuel depot and its surroundings, and marked a "flagrant violation" of a US-brokered moratorium on air strikes agreed last June.

Eritrea said that Ethiopia made the announcement, which followed previous accusations of Eritrean shelling at the border, because it was planning to launch "a full-scale war". The claims and counter-claims have raised fears that the unresolved border dispute, which erupted into a brief ground and air war last May, may lead to renewed hostilities. Mark Turner, Nairobi



Taxis wait for customers outside Shinjuku railway station in Tokyo. With too many cars and too few clients, traffic jams result. AP

Liberalisation backfires on Japan's bumper-to-bumper taxi industry

Just as the recession was forcing more and more to take up work as cab drivers, the government decided to deregulate.

Alexandra Harney reports

Outside the Imperial Hotel in central Tokyo, the line of taxis winds around the block like a tube of orange, yellow, and green candies. The white-gloved drivers wait their turn in an orderly queue, for hours at a time. At night, on the streets of Roppongi, Ginza and Shinjuku, the city's crowded neon-lit strips of bars, nightclubs, and restaurants, the rows of empty taxis are so dense they cause traffic jams.

Recessions never take kindly to taxi drivers. The number of taxi cabs increases as workers are squeezed out of other professions, just as the number of customers on the streets declines. But in Japan, the impact of the economic downturn has been compounded by an untimely attempt at liberalisation, sending revenues in the taxi industry to a grinding halt.

The government is trying to deregulate the market by cutting fares and loosening restrictions on new entrants, encouraging a flood of new cab drivers who are competing for a shrinking number of customers. As companies restructure, cutting salaries and bonuses and sending workers home, there are fewer inebriated customers staggering home after the last train for a ride to the suburbs.

Taxi driver union representatives are calling it the darkest period in the industry's history. According to the Tokyo Taxi Association, the industry grouping which includes 344 city taxi companies, the number of taxi drivers in Tokyo hit an all-time high of 95,335 in 1997, the last year for which figures are available. At the same time, the average monthly salary plunged to its lowest levels in more than 10 years.

"Salarymen may get pay raises every year, but we

well as from smaller stores and restaurants that have emptied out since the slowdown began, says Shigeru Kawano, a member of the taxi association and president of his own cab company.

"In good times, the number of taxis actually decreases, because in other industries, like construction, truck drivers' salaries are much better than taxi drivers. But in a recession, the number of cars increases because workers leave other industries and come to be taxi drivers," he says.

The taxi association estimates that 7,515 people became cab drivers in Tokyo in 1997, and applications in the first three quarters of

probably a small farmer.

But representatives from both associations are quick to point out that cyclical downturns are typical of the taxi industry. They argue that the Japanese government, by insisting on deregulating the sector at a time when numbers of taxis would naturally increase, has thrown taxi companies' finances into a tailspin.

Mr Kawano estimates that between a third and a half of cab companies in Tokyo are operating at a loss. If parliament passes the official deregulation legislation this year - the reforms are still tentative - he is certain it will have a devastating impact on taxi companies.

The reason is that wages account for more than 80 per cent of Tokyo taxi companies' operating expenses, compared with 66 per cent in New York, 45 per cent in London, and 40 per cent in Paris. Labour unions have prevented deeper wage cuts, and the transportation ministry has set a ceiling fare of ¥680 (\$5.89) for every 2km travelled.

This means that with families to feed and home loans to pay off, many of Japan's taxi drivers are taking longer shifts - as much as 18 hours on the road at a time - and some have even committed suicide.

As the Japanese economy enters its third year of recession, the taxi industry's troubles are largely oblivious to Japan's top bureaucrats and politicians, who are chauffeured around the city in *kuronuri*, shiny black cars with lace curtains.

The number of taxi drivers in Tokyo hit an all-time high of 95,335 in 1997

aren't salarymen. What we make is determined by how much we work, and our wages have fallen every year since the bubble burst in the early 1990s," says Yoshihiro Wakayama, a taxi driver with one of the larger Tokyo companies. At 58, he says he is too old to look for other work.

Another driver says: "At a time when there are fewer customers, deregulating and raising the number of taxis on the road doesn't make any sense... the problem is so bad there are traffic jams of empty taxis around the city." Most new drivers come from the ailing construction and real estate industries, as

1998 exceeded that number. The average monthly salary in November last year tumbled to ¥50,455 (\$450), a decrease of 11.3 per cent against the same month the year before.

Ken Takeda, managing director of the Japan Federation of Taxicab Associations, which includes all of Japan's nearly 7,000 cab companies, says the salaries are much lower outside Tokyo.

But he adds that unlike city drivers, who are usually full-time employees, cab drivers in the countryside are more likely to do other jobs on the side.

This means that a taxi driver in Wakayama is also

Prodi forms new party of centre-left

By James Blitz in Rome

Romano Prodi, Italy's former prime minister, yesterday launched a new party on the Italian centre-left, threatening to unsettle the country's increasingly unstable political scene.

Mr Prodi, whose government fell last autumn, announced the creation of a party to be called Democrats for the Olive Tree. Opinion polls say it could get 10.5 per cent of the vote in this June's European elections, a significant score by the standards of Italian politics.

Mr Prodi continues to regard himself as a candidate to take over from Jacques Santer, president of the European Commission, whose term of office expires at the end of this year. But he has tried to argue that his candidacy should not stop him pressing ahead with the formation of a party, the first time that the former chairman of the state holding company Iri has sought to build a sound political base.

Mr Prodi's new party has considerable populist strength, not least because it is supported by Antonio Di Pietro, the former Milan prosecutor, who brought leading figures in the old Christian Democrat-led regime to trial.

It is also supported by democratically elected city mayors, who, in Italy, have particularly strong influence at the grass-roots.

Many on the Italian left argue that Mr Prodi's party has no distinct ideology and is motivated by little more than alleged bitterness at losing office last autumn. Giuliano Amato, the former socialist prime minister, described the new movement this week as a group of people who have said to themselves: "I don't like the parties on offer so I'll just go and set up another."

Yet, Mr Prodi is already unsettling the ruling centre-left majority and could badly damage the government of Massimo D'Alema. A poll published this week by the *Corriere della Sera* daily showed Mr Prodi's party getting more than 50 per cent as much support as Mr D'Alema's Democrats of the Left.

Mr Prodi yesterday emphasised that the aim of his party was to reinforce the strength of the centre-left coalition in Italian politics. But some commentators warn that he could fragment the Italian left, opening the way for a return of former prime minister Silvio Berlusconi's rightwing Forza Italia.

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INTERNATIONAL

SOUTH AFRICA PRESIDENT OPENS PARLIAMENT FOR LAST TIME

Mandela in attack on racial hatred

By Victor Mallet in Cape Town

President Nelson Mandela of South Africa, in his last State of the Nation address before he retires, yesterday lamented continuing tensions between blacks and whites five years after the end of apartheid. He called for a "new patriotism" and said his citizens were still murdering each other in "words and attitudes".

"We slaughter one another in the stereotypes and mistrust that linger in our heads, and the words of hate we speak from our lips," said Mr Mandela, who has dedicated his life to racial reconciliation.

The president was launching the last parliamentary session before this year's general election - the second non-racial national vote in South African history. In the prepared text of his speech, he said the election would probably be held between May 18 and 27, but he omitted the passage when he spoke because of a constitu-

tional technicality forbidding him to set an official date yet.

Mr Mandela praised some of the achievements of his African National Congress government since it came to power in 1994, including the supply of water, electricity, houses and telephones to millions of previously deprived South Africans.

But he also accepted that the ANC had failed to solve severe problems such as violent crime, corruption - which made South Africa "a sick society" - and unemployment.

"The steady progress of the past few years has laid the foundation for greater achievements. But the reality is that we can do much, much better," he said. "The long walk is not yet over. The price of a better life has yet to be won."

His address was greeted by enthusiastic clapping and singing from ANC members of parliament. Even opposition leaders paid tribute to Mr Mandela, 80, who will

step down after the election and be replaced by Thabo Mbeki, his deputy. But they criticised the speech for its lack of concrete measures to tackle crime, improve education or create jobs.

Marthinus van Schalkwyk, leader of the New National Party, said it was a "speech of broken promises". Roelf Meyer of the United Democratic Movement said it seemed the ANC government "was not offering the bold and decisive measures that South Africans are yearning for".

There was more bad news on crime for South Africa yesterday when James Bartleman, Canadian high commissioner, was assaulted and robbed by an intruder in his Cape Town hotel room. He had been due to attend Mr Mandela's speech. On Tuesday the South Korean head of Daewoo's operations in South Africa was shot dead in Johannesburg, probably in a botched car hijacking.

Mr Mandela said South Africans were right to be



Mandela pauses during his address to parliament yesterday. Reuters

impatient and dissatisfied with crime-fighting efforts, but he criticised what he called deliberate efforts to sensationalise and politicise the issue. "We can and shall break out of this bog," he said.

He condemned as terrorism the bomb attacks and shootings carried out in recent months by fundamentalist Muslims. "What is undertaken as an expression of militancy could now very easily provide cover for right-wing counter-revolution against the new South Africa," he said.

Gephardt clears way for a Gore tilt at the presidency

Vice-president is in position of unrivalled strength in race to be Democrats' candidate next year, writes Gerard Baker

While President Bill Clinton this week wrangled a little closer to freedom from the threat of ignominious removal from office, his vice-president took a giant leap towards succeeding Mr Clinton when he eventually leaves the White House in two years' time.

On Wednesday, Richard Gephardt, the principal potential challenger to Mr Gore for the Democratic party's nomination for the 2000 presidential election, announced he would not be running after all. The two men enjoyed a friendly breakfast together at the White House, where Mr Gephardt explained he would be concentrating instead on winning back for his party control of the House of Representatives, lost in 1994.

Then, symbolically, Mr Gore left directly for New Hampshire - for his 14th visit as vice-president to the state that holds the first primary election in a year's time. There he promptly picked up support from many of the state's leading Democrats, who had been waiting to see whether Mr Gephardt would run.

The House Minority leader, however, leaves Mr Gore in a position of unrivalled strength in the fight to be the Democrats' candidate. Two other potential challengers - Bob Kerrey, a mod-

erate Nebraska senator who ran against Mr Clinton in 1992, and Paul Wellstone, a liberal senator from Minnesota - have pulled out in the last two months.

The only other candidate who, at this stage, is definitely running is Bill Bradley, a former senator and basketball star. But Mr Bradley is already trailing Mr Gore by a mile in the polls - and is having an uphill struggle raising the estimated \$20m needed to fund a presidential bid.

There are still one or two other potential challengers, neither of whom would face such money problems. Jesse Jackson, the civil rights leader, who swept the large black vote but got little further in his two previous bids in 1988 and 1992, has not yet ruled out a run. A Jackson campaign would be well funded, but would probably run into the same problems as his earlier attempts.

The other possible candidate is John Kerry, another moderate senator, this time from Massachusetts, who also has no money problems but will have difficulty staking out a strong position if he does not announce soon.

With a year to go to the first primary, then, Mr Gore already seems to have the nomination wrapped up. Is there anything that could go wrong?

Though famously wooden

in manner, Mr Gore has already proved himself a formidable candidate. Even though he is the incumbent vice-president - a position from which only one candidate has failed to win the party's nomination in the last 60 years - he has left nothing to chance.

He has assiduously courted the big constituencies and the crucial states. Indeed, it is his position of unrivalled strength that has put off so many other candidates. Barring some unforeseen scandal or sudden economic downturn in the next year, Mr Gore will be the Democrat candidate.

More importantly, the events of the last week also strengthen his prospects in the ensuing election in November 2000. Mr Gephardt's decision to withdraw spares the Democrats a potentially damaging fight along some important fault lines.

Instead the chances are that a famously fractious party will unite quickly around Mr Gore at an unusually early stage in the electoral cycle.

The same cannot be said for the Republicans, who are bruising battle over impeachment will be followed by what is shaping up to be a bitter struggle for the party's nomination between moderates and social and religious conservatives. While they slug it out, Mr Gore will look increasingly presidential, long before the real contest begins.

BRAZIL DEVALUATION EXPORTERS WHO SELL GOODS FOR DOLLARS ARE REVELLING IN THEIR NEW-FOUND WEALTH

Farmers reap benefits from Real fall

By John Barham in Ribeirão Preto

Three chubby farmers sporting baseball caps grin with excitement as they squeeze into the cab of a new top-of-the-range Ford F250 pick-up.

The pick-up is parked outside Marco Antonio Ortolan's Ford showroom in the lush farming town of São João do Rio Preto, 300km north-west of São Paulo in the heart of one of Brazil's richest agricultural regions.

Mr Ortolan says business is uncommonly good. Sales of luxury vehicles such as the F250 have taken off since the Real, Brazil's currency, began to slide on January 13.

The 30 per cent fall in its value has meant that farmers - who sell their oranges, coffee and sugar in dollars - now have that much more when they turn their export income into Reals.

Before January 13, anyone wanting a Ford F250 had to raise the Real equivalent of \$40,000. Now \$25,000 from farm exports secures a vehicle.

"People want top-of-the-range models," says Mr Ortolan. "The first of the 15 pick-ups I sold recently were the most expensive ones." Now he is out of stock.

For rural Brazil, the advent of the Real in 1994 brought a period of rising debts and high interest

rates, low producer prices and rising wages for farm workers. Farmers complained that price stability was built on an overvalued exchange rate and low food prices.

João Pedro Matta, a director of Cooperativus, a big farm co-operative, says "agriculture was at the bottom of the pit. We have suffered enough. Now people are more hopeful."

The harvest starts soon, so the expected tidal wave of money has yet to arrive in full. Many people are complaining that the cost of basic inputs such as fertiliser is already beginning to rise in anticipation of the bonanza. Everyone is keep-

ing fingers crossed that the Real will not recover.

Farming is big business in Brazil. Last year farmers accounted for \$17.2bn of exports, a third of the total.

The wealth generated by farmers in north-western São Paulo state has created one of Brazil's most affluent regions. Ribeirão Preto, the largest city in the area with a population of 500,000, likes itself to a Californian metropolis, even if it is a six-hour drive to the beach. The city has six universities, 11 hospitals and is building a vast new shopping mall.

But the last few years have treated the city harshly, at least by its pampered standards.

Alberto Borges Matias, an economics professor and business consultant in the city, says "incomes here are \$5,800 a year, well above the national average". But companies and farms are deeply indebted: "Average debts are equivalent to 150 per cent of equity, twice the national average. This is why everyone is euphoric over [devaluation]."

Those lucky or wise enough to escape the debt trap are buying land to plant more orange groves and coffee bushes. And Mr Ortolan is looking forward to more visits from farmers keen to buy pick-ups.

For among chickens, Page 7

Manila returns to state executions

By Tony Tassell in Manila

The Philippines carried out its first official execution in 23 years yesterday after an intense debate on capital punishment that has gripped Asia's only predominantly Christian country.

The execution by lethal injection of Leo Echegaray, a house painter convicted of repeatedly raping his 11-year-old stepdaughter in 1994, was the first test case for capital punishment since it was reintroduced in the country five years ago.

The debate over the execution has dominated public life in recent months, pitting the pro-life Roman Catholic church and a small minority of protesters against the state and a swell of popular support for the death penalty.

Frustration over crime levels has seen support for capital punishment for "heinous crimes" rise to more than 80 per cent of the population, according to latest polls. Few thought could have predicted the extent of emotional debate over Echegaray's execution.

When the Supreme Court temporarily blocked the execution last month, the stepdaughter, popularly known as "Baby", led huge rallies urging Echegaray's death. And when the end finally came at Bilid prison in Manila, it was amid a blitz of blow-by-blow media coverage.

It was not the first time an execution has aroused such emotions in the Philippines. In the days after martial law was imposed in 1972 by the late president Ferdinand Marcos, a firing squad execution of a drug pusher created a widespread climate of fear.

The latest execution is not likely to be the last. It has cleared the way for what Amnesty International, the human rights group, has described as a conveyor belt of death. There are 915 people on death row and the government plans to execute five in the next month.

Amnesty said the execution marked "a huge step in the wrong direction" for a country that had been considered a model for human rights since the overthrow of the Marcos regime, which was blamed for thousands of extra-judicial killings.

Some observers see popular support for capital punishment as a sign that the church's political influence is waning, from the height of its influence during the 1986 People Power revolution. It played a significant role in the overthrow of Mr Marcos by calling its supporters out to the streets to support protests.

Lewinsky set for debut on small screen

By Mark Suzman in Washington

In exchanges between the former White House intern and Ed Bryant, the conservative Republican congressman from Tennessee who interviewed her. At one point, for example, Mr Bryant refers to Ms Lewinsky's "first so-called salacious liaison with the president."

"Can you call it something else," she responds. "I mean, this is my relationship."

Despite the lack of suspense about the final outcome - Mr Clinton is now almost sure to be acquitted by the end of next week - Americans remain deeply curious about the young woman whose affair with the president first shocked, then titillated and finally exhausted them.

More than a year after the scandal first broke, today marks the first time they will be able to see Monica Lewinsky talk in person, as prosecutors play excerpts of her videotaped testimony to the Senate.

It is already clear there will be no bombshells. The transcripts of the tape, along with those of Vernon Jordan, a friend of Mr Clinton's, and Sidney Blumenthal, a White House aide, were released yesterday. They provide little information not previously collected by Kenneth Starr, the independent counsel.

But there promise to be some entertaining moments in exchanges between the former White House intern and Ed Bryant, the conservative Republican congressman from Tennessee who interviewed her. At one point, for example, Mr Bryant refers to Ms Lewinsky's "first so-called salacious liaison with the president."

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BRITAIN

LABOUR MARKET SURVEY FINDS RATE OF GROWTH IN WAGES AT WEAKEST LEVEL FOR 16 MONTHS

Pay demands ease as job cuts accelerate

By Richard Adams,
Economics Staff

New figures on the labour market - delivered to the Bank of England before Thursday's deep cut in interest rates - show job losses accelerating and pay demands easing.

The report by the Federation of Recruitment and Employment Services was submitted to the Bank's monetary policy committee during its meeting this week, and backs up the committee's decision to cut rates

by half a percentage point. "In virtually all sectors there has been a sharp rise in the availability of labour. In part due to redundancies in the City (of London) and manufacturing," said Chris Williamson of NTC Research, which conducted the federation's monthly survey.

The number of jobs offered in national newspaper advertisements was down 11 per cent in December compared with last year. "This represents the sharpest rate of contraction recorded for

almost six years," the report noted.

Recruitment consultancies also reported a fall in demand for permanent, temporary and contract staff in January.

With fewer positions being chased by a growing number of jobless, the pressure has been taken off wages. The survey showed the rate of growth in pay for permanent and temporary staff at its weakest for 16 months.

And the number of job advertisements targeted at recent university graduates

- typically entry level management or trainee jobs - fell sharply in December to 42 per cent below the levels of the previous year. During the fourth quarter, graduate job adverts were 25 per cent lower than a year before.

"The low levels of these indicators are good news for inflation," Mr Williamson said.

The report's results are another symptom of the economic slowdown that has led the Bank to cut interest rates in the past five months, from 7.50 per cent in

October to 5.50 per cent this month.

Since the official statistics for average earnings were suspended in November, the Bank has increasingly relied on employers' surveys for a picture of labour market pressures. The federation's report agrees with earlier surveys of manufacturing and service sectors, all showing job losses.

The survey also uncovered evidence of a sudden increase in public sector jobs. "The public sector is recruiting at a very strong

rate," Mr Williamson said. While advertisements for private sector jobs fell 14 per cent in January, the number of public sector jobs in the national press grew by 10 per cent.

But Gordon Brown, the chancellor of the exchequer, yesterday pledged to continue his "tough approach" to the public finances, despite pressure to increase public sector pay in the Budget next month. Mr Brown said the Budget's priorities would be "enterprise, work and the family".

Bulldozers drive to bury feelings of doom at Rover plant

John Griffiths looks at the growing disparity between plant's future and what is happening on the ground

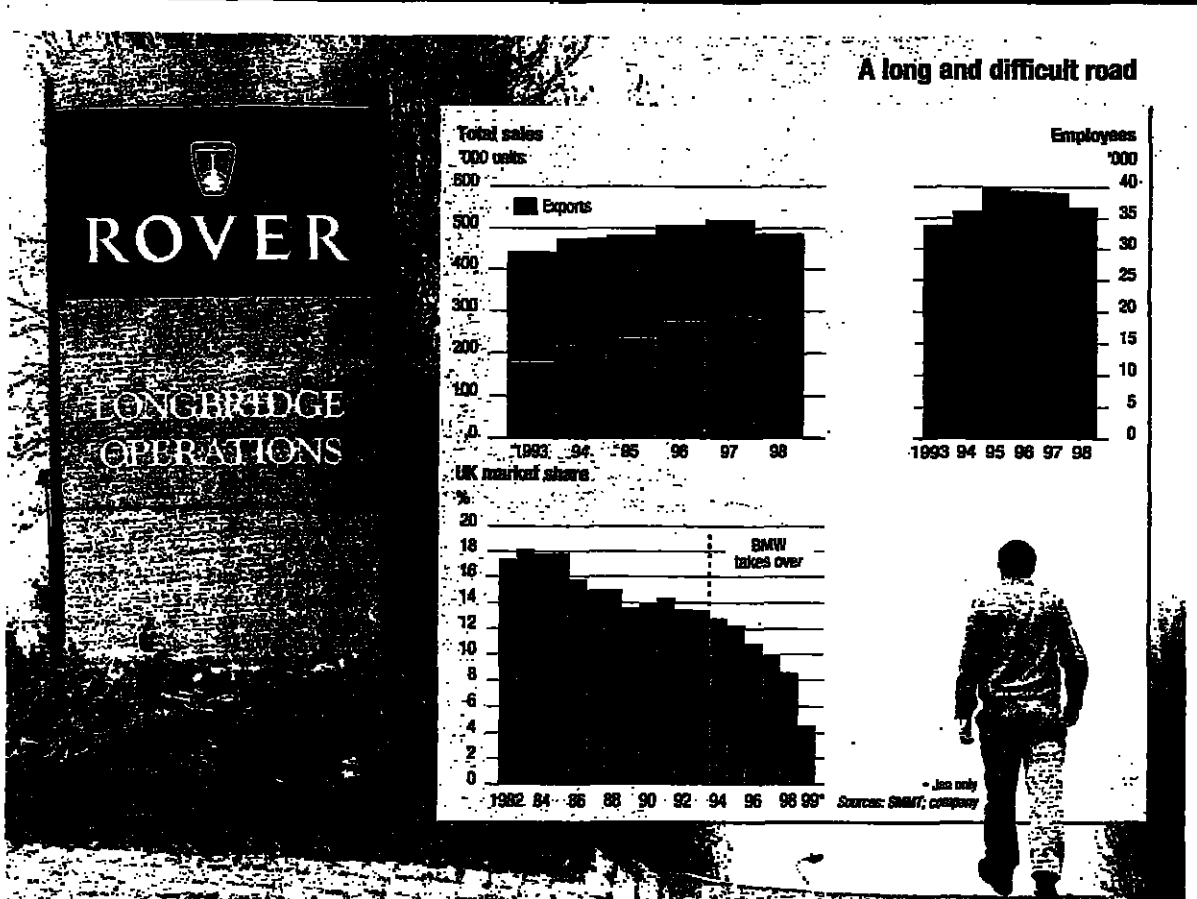
While the supervisory board of BMW is preparing in Munich to replace Bernd Pischetsrieder, chairman and architect of the purchase of long-making Rover Group five years ago, bulldozers could be seen at work yesterday at Rover's Longbridge plant in the English Midlands.

Given the fever of speculation in UK and German media that Mr Pischetsrieder would be forced to quit and Longbridge to close, an observer of the bulldozers might have concluded that sentence was already being carried out.

In fact, the bulldozers are clearing part of Longbridge, Rover's biggest plant, for the £400m project that will result in an all-new Mini emerging from an essentially new production facility at the end of 2000.

Inside the main assembly lines, preparatory work is going ahead for production in the second half of this year of the "Oyster" and "Jewel" projects - revised versions of Rover's 200 and 400 models. These slow-selling cars are the biggest volume cars produced at Rover's biggest plant, and thus the source of many of its problems.

Elsewhere, design and production engineers are addressing the manufacturing adjustments needed for the updated version of Rover's MGF sports car, also



destined to hit the market within the next year. All have been signed off not by Mr Pischetsrieder alone but by the BMW board.

There is an increasing disparity between what is happening on the ground and a now widely held perception that doom is hanging over Longbridge.

BMW's decision yesterday to put Joachim Milberg in Mr Pischetsrieder's place, should give the doomsayers pause for second thought. They had expected the job to go to Wolfgang Reitzle, Mr Pischetsrieder's official deputy, former Rover chairman and, until his own forced departure last night, Mr Pischetsrieder's fiercest critic and rival.

However, Mr Milberg, whose own career path has been through BMW's engineering side, is described as a low-key pragmatist well

suited to bring to a close the chapter of bitter rivalry between Mr Reitzle and Mr Pischetsrieder seen as having had a negative effect on plotting an orderly course for Rover. Mr Reitzle is known to have had less enthusiasm for keeping Rover's manufacturing operations intact than Mr Pischetsrieder, whose strong defence of Rover has proved his downfall.

While Rover was not mentioned in BMW's terse announcement of its management changes last night, an orderly review of Rover's prospects will now be near the top of Mr Milberg's list of priorities.

That Rover has acute short-term problems is not in doubt. Car registration statistics released yesterday showed Rover's UK market share in January fell to a record low of 4.7 per cent,

about one-third its level a decade ago, and down 50 per cent in little more than a year. This year, it will take more than 10 per cent of planned production out of its schedules, to bring output in line with demand.

Its problems are worse inside the UK than outside. Lost in the uproar of the past few days was the news that Rover's worldwide sales last year, at 487,700, were only a small step down.

Within the next month to six weeks the board of BMW, Rover's parent, will make the final decision on where and when the replacements for Rover's 200 and 400 ranges - the main vehicles produced at Longbridge - will be built.

The decision will be made in the light of a comprehensive study of alternative, cheaper countries in which to build the new models,

including central European countries such as Hungary. The study is essential and explains why a decision has yet to be made and no approach so far made to the UK government for aid.

Rover executives say it demonstrates that the project could be undertaken via a more and more complexly outside the EU. Only by doing so can BMW stand a chance of securing the £150m-£200m government aid it believes should be possible for regenerating Longbridge.

The effect of Rover's workforce morale was last night unmistakable. As they straggled out of the gate from the morning shift the Longbridge men seemed weary of yet another bout of speculation over their future. "We've heard it all before, haven't we?" said one worker.

Dublin urged to prevent IRA gang's early release Beatings on rise in N Ireland

By John Murray Brown
in Dublin

The Irish government faced public calls yesterday to deny early release for a four-man Irish Republican Army gang sentenced for the manslaughter of an Irish policeman in 1996.

Pearse McAuley, Kevin Walsh, Michael O'Neill and Jeremiah Sheehy received sentences in Dublin's no-jury special criminal court ranging from 11 to 14 years for killing Jerry McCabe, the Irish detective shot dead during a botched IRA postal robbery in county Limerick.

The verdict was attacked by police and opposition parties after witness intimidation forced the state to change its murder charge to manslaughter in controversial plea bargaining.

A police spokesman said: "If the Taoiseach [prime minister] does not act, we will be unable to function as a police force. We cannot go

out there and be soft targets for people to murder us."

The case is further evidence of the IRA's capacity to thwart the course of justice, despite the Good Friday peace accord, which binds all political parties to renounce the use of violence in pursuit of political ends. The men could have faced a mandatory 40 years for murder. If they make use of the provision for early remission in last year's peace agreement, they would be released in three years, according to legal experts.

In a measure of public disquiet over the case, Bertie Ahern, Irish prime minister, said: "Mr McCabe was murdered as far as I am concerned." He insisted the gang would not benefit from the Good Friday agreement. "Our understanding and interpretation of the agreement and legal advice about it, is that what I have said is correct: these people will serve their sentence."

A debate on the case will be held in the Irish parliament next week. Opposition parties, which have criticised the Irish government's stance, are expected to seize on yesterday's assertion by Martin McGuinness, the Sinn Féin chief negotiator, that they would make use of the early release provision.

And Nora Owen, deputy leader of the opposition Fine Gael party, said: "I want Mr Ahern to make it clear to Sinn Féin that this is not a bargaining chip they can bring forward."

Mr McAuley, who escaped from London's Brixton jail in 1991, was released during the IRA ceasefire in 1994, before being re-arrested in connection with Mr McCabe's killing while on bail related to his UK extradition case.

In sentencing, the judge said there was no evidence to confirm who fired the gun - a semi-automatic Kalashnikov.

By John Murray Brown

The assertion this week by Tony Blair, the UK prime minister, that paramilitary "punishment" attacks were on the decline is contradicted by figures from the Royal Ulster Constabulary.

The Northern Ireland police - showing "punishment" shootings in 1997 and 1998 at three times the 1996 level.

January was the worst month for paramilitary shootings and other assaults and beatings since the Irish Republican Army reinstated its ceasefire in July 1997. The combined number of shootings and other assaults was greater in 1997 and 1998 than in any of the four years leading up to the IRA's first ceasefire in 1994.

There were 72 punishment shootings in 1997 and 1998 against 24 in 1996.

The number of shootings fell sharply after the ceasefires. However, terrorists reverted to beatings and

assaults, often with baseball bats and cudgels, which inflicted serious injuries. In 1995 there were three recorded shootings. The number of assaults and beatings rose from 217 to 302 in 1996 and fell to 166 in 1997 and 141 in 1998.

Ronnie Flanagan, the RUC chief, blamed the IRA, and the UVF and UDA, the main pro-British groups, for the attacks. Police pointed out that during President Bill Clinton's visit and last year's assembly elections the terrorist leadership was able to halt attacks.

Families Against Intimidation and Terror said the IRA was seeking to control its community and demonstrate the RUC's inability to provide acceptable policing in nationalist areas.

Martin McGuinness, chief negotiator for Sinn Féin, the IRA's political wing, yesterday called for an end to the attacks but said this was unlikely.

HEALTH PEAK IN ABORTIONS, HIV TESTS AND UNWANTED BIRTHS LINKED TO CHRISTMAS EXCESSES

Tell-tale legacy of unsafe sex in the city

By Nicholas Timmins,
Public Policy Editor

You always knew the office Christmas party was hazardous - office sex, wrecked working relationships, fractured partnerships and impending divorce.

But now there is proof. More people seek abortions and HIV tests in the first few months of the year than at any other time, a study by specialists at the London

School of Hygiene and Tropical Medicine has shown. Treatment for sexually transmitted diseases rises, and, nine months after the Christmas holiday, the birth rate peaks, with births outside marriage reaching an even higher level.

To cap it all, condom sales reach an "acute peak" just before Christmas, Kaye Wallings and her colleagues note in the Journal of the Royal Society of Medicine.

The coincidence of these indicators of unsafe sex - and their consistency from year to year - suggest that Christmas party is a dangerous place to be, the authors argue. The indicators rise at other times of year, linked, for example, to the summer holidays, but the Christmas effect comfortably tops them.

In countries that celebrate the New Year rather than Christmas, or use the Julian calendar, which puts Christmas later, births peak in October, while in France births peak in May, nine months after the long August holiday.

Christmas, the authors solemnly note, offers "increased opportunities for socialising and a generally more hedonistic approach to life" - which, translated out of academicese presumably means drink, drugs, sex and rock and roll.

At the same time, health-care and counselling services wind down.

Better health education - along the lines of the Christmas "drink-drive" campaigns - might help, they suggest, along with a revival of a 1989 Health Education Authority campaign, which promoted condoms at Christmas with the slogan "Just in case old acquaintances aren't quite forgot". Absolutely.

NEWS DIGEST

MOTOR INDUSTRY

Car number plate reform changes buying patterns

The introduction of a twice-yearly car number plate change, which will see a T prefix appear on March 1 and V on September 1, is already causing a significant shift in car-buying patterns, according to registration statistics for January. New prefixes were previously released once a year, every August. A 21.6 per cent fall in new-car registrations in January, one of the biggest year-on-year falls for a single month, was largely a reaction to the change and was "no cause for alarm", said the Retail Motor Industry Federation, which represents most franchised retail motor traders. Some decline compared with January last year was expected, because January 1998 registrations were a record 232,055 due mainly to windfall payments from demutualised savings institutions. But industry analysts suggested more than half the fall was attributable to the number-plate change. The Society of Motor Manufacturers and Traders, which issued the statistics, expects the decline to continue in February as more buyers wait for the T plate. September is expected to produce a second peak as the V is introduced. John Griffiths, London

PRIVATISED RAIL COMPANIES

Operators braced for criticism

Privatised train operating companies are bracing themselves for a wave of criticism from ministers and passengers' groups when rail performance figures are published on Thursday. But the companies are also highly critical of the decision by John O'Brien, the rail franchising director, to introduce a system of grading company performance that they say will penalise good operators. One senior rail manager warned yesterday there could be no return to the performance levels of two years ago until there was massive investment in expanding rail capacity. The performance figures, for the three months to mid-December, are expected to show a further decline in the punctuality and reliability of many of the 25 train companies, compared with the same period of 1997.

The data will set the tone for a rail "summit" with John Prescott, deputy prime minister and chief transport minister, on February 25. Charles Batchelor, London

TRAINING AND EDUCATION

Private sector 'to surge'

Private "knowledge" companies are set to capture a significant slice of the UK's £50bn (£89bn) education and training market, according to a report by Capital Strategies, an independent corporate finance house. The forecast is based on a new share price index, launched today by the company, that tracks the 18 UK quoted companies deriving a substantial income from the education and training sectors. The index, the first of its kind in the UK, has outperformed the main market indices for the past three years. It comes as Surrey County Council moves closer to becoming the first local authority to hand over control of a failing state school to the private sector by naming a preferred bidder next week for the lucrative contract.

Government policy is promoting private sector partnerships with schools. This is generating speculation that there will be a US-style education and training boom. The private sector share of the £635bn (£387bn) education and training market in the US is expected to double to 25 per cent over the next 20 years. Simon Targett, London

POLITICS

Senior lord quits over 'conflict'

A senior lord from the pro-European Liberal Democrat party who has links to the prime minister's office is to quit his party's front bench in the House of Lords after the opposition Conservatives claimed there was a conflict of interest with his new job at the Independent Television Commission watchdog. Lord Holme of Cheltenham told the Financial Times yesterday he would step down as a northern spokesman on Northern Ireland. Lord Holme took up the three-year (£18,000 (£31,100) a year post at the beginning of the week. He has played a leading role in the development of "Lib-Lab" relations and has close links to Tony Blair, the prime minister, and Peter Mandelson, former chief trade minister. Cathy Newman, London

ACCESS TO GOVERNMENT

Minister reassures companies

Stephen Byers, chief trade and industry minister, has ordered his department to maintain an open-door policy towards companies involved in bids, amid concern about a crackdown on access to ministers and officials. Mr Byers has made clear there should be no tightening of rules designed to avoid potential conflicts with the Department of Trade and Industry's role in scrutinising merger decisions. Underlining his open approach, Mr Byers will visit British Aerospace's plant in north-west England on Monday - despite the fact that BA's purchase of Marconi is being examined by competition authorities. He has accepted BA's invitation to the celebration of the 2,000th Airbus wing, on condition that executives do not raise matters relevant to the merger. David Wighton, London

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NOTICE OF ADJOURNED EXTRAORDINARY GENERAL MEETING

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1. To resolve to liquidate the Company.
2. To appoint Fidelity Investments Luxembourg S.A. as the Liquidator and to determine the powers to be granted to the Liquidator and the Liquidation procedure.
3. To fix the date of the second Shareholders' Meeting to hear the Report of the Liquidator and to appoint PricewaterhouseCoopers, Luxembourg as Auditors to the liquidation of the Company.
4. To fix the date of the third Shareholders' Meeting to hear the Report of the Auditor and to resolve to close the liquidation of the Company.

No quorum of shares present or represented at the Meeting is required in order to deliberate validly on the agenda. A decision in favour of the Resolution no. 1 of the agenda must be approved by Shareholders holding at least 25% of the shares represented at the Meeting.

Subject to the limitations imposed by the Articles of Incorporation of the Company with regard to ownership of shares which constitute in the aggregate more than three percent (3%) of the outstanding shares, each share is entitled to one vote. A Shareholder may act as any Meeting of Shareholders by proxy.

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Saturday February 6 1999

Heads in the euro-sand

This week the Bank of England cut UK short-term interest rates by half a percentage point to 5.5 per cent. No such cut was forthcoming from policymakers at the European Central Bank, which chose to maintain its interest rate at 3 per cent.

This was the level established in early December when nine central banks made a co-ordinated downward move in preparation for European economic and monetary union. Yet there has been a marked deterioration in the European economy since then. How long before the Americans, never slow to adopt megaphone diplomacy in international economic relations, start complaining that Europe is failing to pull its weight?

The US could certainly muster a powerful case. In trade terms it has borne most of the brunt of the Asian economic crisis by acting as the world's consumer and spender of last resort. The cost has been a big deterioration in the external account.

The OECD projects that the US current account deficit will rise this year from \$225bn to \$272bn, equivalent to 3.1 per cent of gross domestic product. Many private sector forecasters are more pessimistic, expecting the deficit to come out closer to 4 per cent.

In contrast the countries of the eurozone are running a current account surplus equivalent to 1.3 per cent of their combined GDP. This acts as a brake on global economic growth. Given the strength of the European economy when compared with Asia, such behaviour appears perverse to the point of irresponsibility.

The US could reasonably argue that it would be in Europe's own interest to adopt a more expansionary policy when inflationary pressures are minimal, unemployment remains high and the continental European economies are running at well below capacity. Why then is the ECB holding fire on interest rate cuts? And why are governments in the euro zone proposing to tighten fiscal policy this year?

Stoke up inflation

As far as the ECB is concerned, its mandate simply precludes demand management: the central objective in its constitution is price stability. The policymakers on its council tend anyway to believe that European problems such as high unemployment are structural. Without labour market flexibility, they claim, looser policy would do less to stimulate demand than stoking up inflation. There is undoubtedly something in this, even if the case is over-stated. The snag, though, is

that it is not very helpful to measure the success of a central bank by reference to price stability when the biggest threat to the world economy is the disease of the 1990s - deficient demand. And while a price stability objective might not be a matter of concern in a single country, it is another matter when super-imposed on continental Europe, a large chunk of the world economy.

Price level

True, Wim Duisenberg, the ECB's head, has said that monetary policy must be sensitive to a falling price level as well as to inflation. But there is an issue of timing. If and when the ECB finally acts on that score, the US economy may have gone into reverse and the dollar may have collapsed. The result would be a global deflationary shock.

And given the relative insensitivity of the French and German economies to moves in short-term interest rates, it would take a very aggressive cut in interest rates to bring down continental Europe's excess savings in the private sector, which are the counterpart of the trade surplus. This is something it is hard to see the ECB doing. In the absence of a near-catastrophic global crisis.

Of course governments could take offsetting fiscal action. But like the ECB, the continental European governments are preoccupied with parochial objectives. This week the European Commission was even urging fiscal contraction on Italy, in the interests of preserving the integrity of the EMU. Its bureaucrats are unable to see that worrying about the longer run tensions in EMU is pointless when the world economy is threatened here and now.

Perhaps the best hope for less restrictive policy in Europe lies with the unreconstructed Keynesian politicians in the new left-of-centre governments of Germany, France and Italy. They may not yet be preoccupied with Europe's global responsibilities - and would probably look askance at US prompting on this score. But if they do come to grasp the risks inherent in the imbalances that now scar the global system, they could sensibly plead for a temporary suspension of a European stability and growth pact that threatens to eliminate rather than promote growth. Once again, there is an issue of timing. Optimists may conclude that we will all muddle through regardless. But in a potentially deflationary world, this lack of policy flexibility in Europe is deeply worrying.

MAN IN THE NEWS CROWN PRINCE ABDULLAH

The heavy crown of Jordan

Judy Dempsey and Roula Khalaf ask whether King Hussein's son can follow his father in maintaining stability at home and elsewhere in the Middle East

Crown Prince Abdullah bin Hussein bears the same name as his great-grandfather, the founder of the modern kingdom of Jordan. He owes his throne partly to his father's desire to keep the monarchy to his own family line. He will need all his ancestors' determination and wiles to hold on to the Hashemite kingdom. It will not be easy.

When Abdullah met dignitaries from other Arab states a week ago, Jordanian state-run television was anxious to present to the public a confident leader.

Abdullah, celebrating his 37th birthday, was seen shaking hands, sometimes smiling, sometimes looking serious. The message the palace wanted to convey was that Jordan was in safe hands.

Yet whenever Abdullah is shown giving a speech or making a statement, television lowered the sound. The Crown Prince's Arabic, spoken with a thick Bedouin accent, is far from perfect. His mother tongue is English, learned from his British-born mother, Toni Gardiner (Queen Muna). He spent much of his teenage and adult years in Britain or the US, studying at military schools.

"I was shocked when I heard Abdullah's classical Arabic," said one Jordanian official. "He has not got a good command of the language. What sort of impression is that going to make on us and on our neighbours?" It is a good question. Abdullah takes over at a time of transition within the Hashemite kingdom and instability outside it. To the west, the Israeli-Palestinian peace talks have stalled - of more importance to Jordan than most because Jordan signed a peace treaty with Israel in 1994 and because 60 per cent of the population is of Palestinian origin. To the north lies Syria, with which Jordan's ties have been historically tense. And to the east lies turbulent and unpredictable Iraq.

King Hussein managed to keep his coveted desert kingdom safe for 48 dangerous years and earned huge popularity at the end of his life. Even so, he had to survive countless plots, coups, insurgencies, a civil war with the Palestinians, and about a dozen assassination attempts, as well as three Arab-Israeli wars, and the Gulf War.

Prince Abdullah starts without the advantages his father earned during his long reign. For one thing, he is untested in the ways of Middle-Eastern politics. For another, there is likely to be resentment towards him in the palace, since King Hussein had four wives and 11 children. Most Jordanians had assumed that Prince Hassan, King Hussein's younger brother, would one day become monarch: after all, he had been appointed heir designate in 1965. There is also tension between Queen Noor - King Hussein's fourth, American-born wife - and Princess Sarvath, Hassan's Pakistani wife, who each pressed the claims of their sons.



Leader in the making: Crown Prince Abdullah reviews a Bedouin guard of honour in Amman

So why did King Hussein choose him? The answer lies in his military connections. In the Arab world security is defined by military strength rather than the stability of government institutions. The Sandhurst-trained prince has been head of the Special Operations Command, the strike forces of the army and main pillar of the monarchy.

Made major-general last year, he enjoys the loyalty of the Bedouin-dominated army and, with his excellent relations in the intelligence services, he can check instability, or indeed crush any opposition.

He displayed this side of his character when he put down bread riots in the south in 1988, precipitated by an austerity economic package arranged with the help of the International Monetary Fund. He did so again last year when he crushed an Iraqi guard which had been on a murderous spree in Amman. That he is married to a Palestinian is also seen as a valuable asset, given the country's Palestinian majority.

In dealing with regional problems, the Crown Prince will have to tread carefully on both Israeli and Palestinian issues and on Iraq. On the one hand he will be pushed by Washington to support the 1994 peace treaty with Israel, but on the other hand he has to take into account the hostility to the accord among Jordanians - a balancing act which could prove to be one of his first political tests. Abdullah also takes over at a time when the Iraq crisis is once again threatening regional stability and Iraqi President Saddam Hussein is lashing out at his Arab neighbours and pointing the finger at Jordan.

Abdullah will have to ward off the threat of Iraq inspiring domestic unrest but follow a policy that can also respond to the widespread sympathy felt in Jordan for the suffering of Iraqis living for eight years under United Nations sanctions.

Before King Hussein's illness, however, the main subject of debate in Jordan was not the region but greater domestic democratisation and economic

reform. It is far from certain that Abdullah's career and credentials will serve him well in these tasks. His lack of political experience and his instincts, as one western diplomat said, might tend him towards demanding discipline and obedience rather than dialogue and diversity of views.

Equally important, and even more immediate, is what one local banker calls "the economic death" that has gripped the country in the past few years. With an official unemployment rate of 30 per cent, and unofficially over 40 per cent in the towns and villages, public tolerance of economic reforms is at a low.

According to Jordanian bankers, foreign exchange reserves are worth just over one month of imports and gross domestic product has been stagnant or falling in the past two years, while the budget deficit has increased from 2 per cent in 1997 to an estimated 6 per cent last year. 40 per cent of Jordan's trade is with Gulf countries, which are facing their own economic crisis following the collapse of oil prices.

"It's going to be a new era for the country, but we're at the lowest point we could be," says a Jordanian banker. "The hidden ace has to be the US. They will make sure it does not disintegrate."

Jordanian businessmen say Washington will back the crown prince with economic measures, a feeling strengthened by the public support expressed in last week's visit to the kingdom by

Madeleine Albright, the US secretary of state.

Jordanians eager to be comforted that King Hussein's passing will not threaten the kingdom's stability say Abdullah's wit and his sense of adventure - he has a passion for car racing - make him similar to his father. "In all, he has more pluses than negatives, even if this succession has been thrust upon him and he was not brought up in a way that instilled political aspirations in him," says a businessman. "But maybe this can be compensated by bringing back the king's old guard advisers."

What appears certain is that manoeuvring his way through the kingdom's myriad problems will take creativity as much as a new style of rule.

Jordanians and foreign observers in the kingdom say Abdullah's reign will inevitably have to include reducing the monarchy's omnipresent role in government. "King Hussein got away with doing [what he did] because he had a very strong personality. Regardless of Abdullah's personality he will have to introduce economic reforms that are coupled with political democratisation. It is time to weaken the power of the king and strengthen the powers of parliament."

"The crown prince," adds a western diplomat, "simply cannot continue the old ways of his father. Jordan faces many problems. They require new solutions. He must introduce changes that will reduce the role of the king in deciding everything."

LETTERS TO THE EDITOR

Mustard poultice for a leaky radiator

From Mr Richard Kite.
Another solution to the problem of leaking radiators ("Rags, gaskets and a Jaguar", January 30-31) was recommended to me by Romanian lorry drivers in Craiova, south Romania, while delivering relief aid to that city. Having precariously driven, by refilling the radiator constantly, a large articulated Volvo F12 lorry in just such a condition from just within the northern

Romanian border, I was recommended mustard as a means to resuming my journey back to Scotland. While the Romanian drivers suggested Romanian mustard, in true British tradition a small jar of Colman's was sequestered from a fellow driver in an accompanying lorry; this, used sparingly, enabled me to return to Alass, north of the Cromarty Firth, without further problems. Thus I suggest to Peter Millar:

try this solution next time, but be aware that when the engine cools down the radiator will start to leak again - it only seals when it is hot. As the vehicle I drove belonged to a Christian charity, was this a case of supreme intervention rather than the mustard? I wonder!

Richard Kite,
4 Cairnlee Park, Bieldside,
Aberdeen, AB15 9AF, UK

Socialise first, privatise later

From Mr Doug Henwood.
Sir, It is always amusing to read a hymn to the origins of the cyberrevolution in "American creative chaos" ("The good news about net stocks", February 3). What a selective rendition of history! The computer and the Internet simply would not exist in their present form had it not been for decades of subsidy from the Pentagon. Military planners lobbied financiers and industrialists to kick in some of their own money, but they showed no interest until the technologies were considered viable. That is the American way: socialise losses, privatise profits. You could make a similar argument about biotechnology and pharmaceuticals. Despite their reputation for risk-taking and innovation, the US capital markets have a long history of shyness towards new industries. Both John D. Rockefeller and Henry Ford complained of a cold reception from Wall Street when oil and autos were young; it is only when industries are past their point of needing start-up capital that Wall Street is eager to shower money on them.

A final point. Celebration of US finance and culture usually goes hand in hand with Japan-bashing, and this editorial is no exception. It is a rich irony, little appreciated by culture critics, that the leading venture capitalist in the internet arena today is Softbank, a Japanese firm.

Doug Henwood,
Left Business Observer,
250 W 85 St,
New York, NY 10024-3217, US

Wife alienated by bureaucracy

From Mr Richard Bentley.
Sir, I am a self-employed IT professional and inventor with international clients. I married a non-EU citizen, a doctor, two months ago. Six weeks ago, I sent the Home Office an application to obtain a 12-month residence/work permit for my wife, enclosing both our passports. After numerous attempts to contact them by phone, letter and fax, we went to the Croydon office. I was told that it now takes 33 weeks to process an application - seven weeks merely to give the file a reference number. They were willing to return

my passport on condition that I took everything else back. This would have meant losing our place in the queue and my wife becoming an illegal alien. I was also told that it takes nine months to process an application for an EU citizen in the same predicament. I really don't know if it is worthwhile to remain based here as British citizens are treated better in the EU.

Richard Bentley,
Malfrance Data,
7 Cavendish House,
Eastgate Gardens,
Guildford GU1 4AY, UK

Title's role

From Mr Martin Lawson.
Sir, Martin Hoyle (Radio, January 30-31) complains that my use of the words "Shakespeare Our Contemporary" during a discussion on Radio 4's *Front Row* was "a cliché". They are in fact the title of a book (by Jan Kott), which was one of the premises of the item. Your critic's commitment to absolute freshness of expression is admirable - although his own prose style seems strangely to be exempted from this brave project - but problems might surely arise if presenters were to mint new titles for the famous works they mentioned: that great play *Claudius's Nephew*, this celebrated novel *The Bennett Sisters*, the legendary movie *Don Corleone*. Even intelligent listeners might become as confused as your critic seems to be.

Mark Lawson,
presenter,
Front Row,
BBC Radio 4,
Broadcasting House,
Portland Place, London W1, UK

Spanish have no claim to 'sherry'

From Mr Roger Griffiths.
Sir, "Sherry" is an English word and, to the best of my knowledge, there is no such word in the Spanish language ("EU and South Africa close to trade deal", January 30-31). It is a word used to refer to a fortified wine much admired as an aperitif. These wines come

from many parts of the world, some of the best from Spain, where it is referred to as "Jerez". Locally, therefore, it is up to the English to decide where, and by whom, the word should be used.

Roger Griffiths,
37 Hillcrest Road,
Loughton, Essex IG10 4QH, UK

Number One Southwark Bridge, London SE1 9HL

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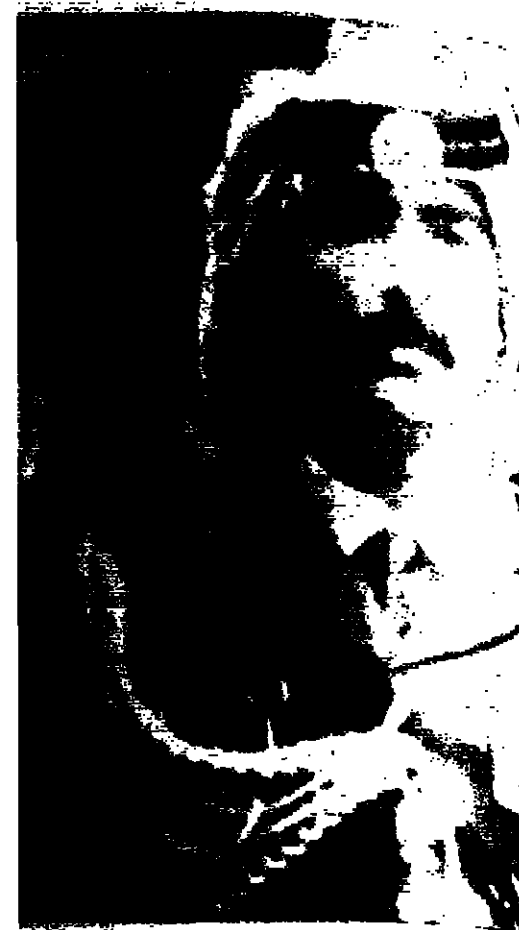
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ABDULLAH of Jordan

His son can follow in the Middle East



As the Jordanian king, Abdullah II, is set to become the first Arab monarch to visit the United States, his son, Prince Hashem bin Talal, is expected to follow in his footsteps. The prince is a member of the Jordanian royal family and is known for his involvement in various charitable and sporting activities. He is also a member of the Jordanian Olympic Committee and has been instrumental in the development of sports in Jordan. The prince is expected to visit the United States in the near future, where he will meet with President Clinton and other high-ranking officials. This visit is seen as a significant step in strengthening the ties between Jordan and the United States.

When blood is their argument

A former French prime minister goes on trial for manslaughter next week. Robert Graham investigates

A special court convenes next week in Paris to determine whether a former French prime minister and members of his cabinet are criminally responsible for their actions while in office. The case concerns the sorry scandal of haemophilia who died from infected blood at the onset of the AIDS epidemic in France in the 1980s. But France's elite civil service, with its secretive and self-righteous ethos, is also on trial.

The prime minister in question is 52-year-old Laurent Fabius, a socialist and brilliant protégé of the late President Mitterrand, serving as his premier from 1984-86. He is now Speaker of the National Assembly and is being tried for manslaughter along with Georges Dufoux and Edmond Hervé, his social affairs and health ministers respectively.

All three will appear before the Court of Justice of the Republic. Created in 1983 to try offences committed by members of the government while in office, it is a court of peers. Only three of the 15 members are judges, the rest are parliamentarians.

Other countries, notably Canada and Japan, have witnessed big scandals over contaminated blood supplies. But until now the blame has never been taken to the top in such a dramatic way.

"This is not an act of vengeance; but we want the truth to come out and to show who was responsible," says Edmond-Luc Henry, president of the French Haemophilia Association, which has been instrumental in pushing matters this far.

Overall, 1,348 haemophiliacs were infected by contaminated blood, of whom 625 died. "A further 4,000-5,000 persons given blood transfusions were infected - giving France the sad record of 56 per cent of all the persons given infected blood in Europe," says Mr Henry.

Mr Fabius is accused of failing to act with sufficient speed to confront the problem and thus causing the deaths of at least three



space of time to take a decision costing some FF400m. But his government has also been reproached for permitting contaminated blood to be sold even after the announcement - and before fresh supplies could be made safe by a new test.

"One hopes this trial will throw light on the dysfunction of the French politico-administrative system," Professor Montagnier said in a recent interview. This goes to the heart of the case, which must consider the relationship between ministers on the one hand and civil servants on the other.

The practices that have already come to light are revealing. Even accepting the medical community's initially underestimated risks from contaminated blood, the French establishment was extremely reluctant to admit anything was wrong with its blood supply system. France was proud of its 4m donors (a higher proportion than anywhere in Europe).

France had so much donated blood, including large scale resort to that of prisoners, that transfusions were used liberally. In the early 1980s a third more blood was being used than in the UK. This naturally placed many more people at risk from infection. But when it came to screening donors and testing blood supplies, the authorities

initially demurred because it smacked of discrimination against vulnerable members of society, such as homosexuals and Haitians. An ethics committee debated for three weeks in 1985 whether donors discovered to be AIDS carriers should even be told. (The answer was yes.)

"One of the main concerns at the time was to avoid suicides, panic and discrimination, particularly in schools... the security of the blood supply was not the only concern," observed Prof Montagnier. This concern was overlaid by the visceral desire to promote French medical products and ward off American competition.

The final point is made in a book by two American academics examining the rash of infected blood scandals around the world. "The French governing elites have a tradition of being expected to 'attend the public's business without too much interference from ordinary citizens'. This avoids public discussion of issues and delays their disclosure. But when disclosure comes, the outrage is all the greater because people realise 'the policy of government secrecy, which was taken for granted, both protected the bureaucrats from disclosure and prevented citizens from knowing the truth'."

"Blood Feuds, Oxford, edited by Eric Feldman and Ronald Bayer

Another priority will be to rebuild the credibility of the central bank. Since Alan Greenspan was appointed chairman of the US Federal Reserve in 1987, Brazil has had no less than 13 central bank chiefs. They are often the first scapegoat when economic difficulties arise.

Mr Fraga's staying power will ultimately rest on the support he receives from President Cardoso, and in convincing the Senate that he is the right man for the job.

His best tactics might be to inform senators about the recent performance of Mr Soros's funds. The US\$1.4bn Quantum Emerging Growth Fund, which Mr Fraga managed, suffered the brunt of Mr Soros's estimated \$2bn losses last year from the collapse of the Russian ruble. The fund had lost 31 per cent of its capital last October when Mr Soros announced it would be closed. Speculators, it seems, can lose their shirts too.

Onslaught on the cards

John Authers looks at the issues that threaten to put an end to the glory days of credit card supremos Visa and Mastercard

After building two global financial brands in less than three decades, Visa and Mastercard are paying a hefty price for their success. The two brands, collectively owned by thousands of member banks, are under fire from competition authorities and from their own members.

The US justice department is suing Visa and Mastercard on antitrust grounds. In spite of fierce brand rivalry, antitrust officials allege that the two associations, whose memberships overlap closely, in effect run a cartel in Europe and Latin America, competition authorities have already ordered Visa and Mastercard to drop a rule that forbids member banks from issuing American Express cards.

In addition, the two associations are being sued by US retailers, which claim they are being press-ganged into accepting debit cards that bear the MasterCard or Visa logo.

Separately, some of the associations' biggest members are growing restive. John Reed, co-chief executive of Citigroup, the world's largest issuer of credit cards, dropped a bombshell last month by suggesting his bank was big enough to do without the global credit card brands.

Mr Reed, whose ambition is for Citigroup to serve a billion customers, wants to build Cit's own global credit card brand.

"From a marketing point of view, it's amazing that for 20 years we've been willing to live with a communal association brand prominently displayed," Mr Reed said. "I think our own aspirations globally speak to our desire to deal with customers through the name Cit."

He suggested other big banks were likely to do the same.

It is understood that he has proposed to alter Visa's rules so that the logo would be printed only on the back of cards.

Having started as a collaborative effort to launch credit cards, Visa and Mastercard could, in a sense, become the first casualties of the mega-mergers in the banking industry.

Before the recent wave of consolidation, no single bank could hope to equal the reach of Visa and Mastercard worldwide. The two associations have more than 20,000 members. Visa, the larger, processes more than \$1,000bn in transactions

annually and has more than 600m cards on issue, which are accepted at 15m locations worldwide. MasterCard has fewer cards on issue, but claims even wider global acceptance.

The associations are responsible for infrastructure, for processing transactions, and for marketing their brands.

They do not issue cards themselves. This is done by the banks, which pay fees to the associations, and then bear the risk of bad credit themselves. Banks also set interest rates and decide on any extra perks, such as frequent-flyer miles. The ultimate governing bodies for the associations are drawn from the senior management of member banks.

Despite the allegations of cartel behaviour, the two organisations dislike each other.

Visa, based in the San Francisco area, grew out of the BankAmericard launched by BankAmerica, then the largest Californian bank.

MasterCard, based in Purchase, a northern suburb of New York, started as a consortium of New York banks, originally dominated by Citibank; Robert Selander, its current chief executive, is a former Citibanker. It is smaller than Visa largely because it took longer to consolidate various brand names - such as Access in

est rates or offer different perks. The strongest defenders of the system are, not surprisingly, small banks.

Why, then, are the two associations suddenly under attack? The answer lies in their attempt to move from credit cards to debit cards, which take money from a bank account rather than offering short-term credit. Debit cards could eventually replace cash and cheques, which banks regard as their core product. Visa says it sees cash and cheques as its main competition.

Joseph Wallace, of System B Division in Chicago, defines the issue strongly: "It's very late in the game to attempt to unwind the Visa-MasterCard credit card systems. But debit or deposit access can still be moulded to the banks' best interest. Remember, this defines 'my bank' in the mind of the consumer. It's crucial that banks retain this important link."

Banks are already worried that their role as guardians of the payment process could be usurped by software providers such as Microsoft or by internet portals. Visa and MasterCard currently provide the currency for online transactions, and banks know it is vital to establish their identity on the new medium.

Debit cards also lie behind the retailers' lawsuit. Under the associations' rules, retailers which display their logos must accept all cards bearing that logo. US retailers say they are prepared to pay high merchant fees for credit card transactions, as it is valuable for them to see credit extended to customers. But they claim it is unfair to extend this to debit cards, which they describe as "plastic cheques" carrying far less risk for the issuing institution.

Mallory Duncan, the National Retail Federation's chief legal officer, points out that debit cards were first introduced in the US through regional consortia of banks. These networks charged less than a tenth as much per debit transaction, at about 10 cents per \$100, as the \$1.20 charged by credit card associations.

"They came in the door as a credit card and now they are trying to use that overwhelming economic muscle to require retailers to take other products they don't want," Mr Duncan says. "If they could get a Visa or MasterCard logo on a dollar bill, we would be forced to give them back 98 cents in change."

Visa processes more than \$1,000bn annually and has more than 600m cards on issue

the UK - into the single MasterCard name. Visa and MasterCard are completely different organisations from American Express, an independent quoted company that has extensive brokerage interests on top of its flagship card division, and Discover, a US credit card brand launched by Sears Roebuck, the large retailer, and now owned by Morgan Stanley Dean Witter.

Visa and MasterCard both offer strong defences to the antitrust suit. They argue that the two associations offer neutral platforms, and that the real competition is between issuing banks, which can set different inter-

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A fox among chickens

Geoff Dyer profiles Aminio Fraga, the new head of Brazil's central bank

The fox in to look after the chickens," said Luis Inacio Lula da Silva, leader of the left-wing opposition.

Ironically, it was the activities of speculators that landed Mr Fraga his job. On January 30, dramatic rumours ranging from a moratorium on the freezing of bank accounts whipped up a frenzy in Brazil's money markets. The currency sank to \$42.15 to the dollar, a 79 per cent fall since the currency had been allowed to float on January 12, as Brazilians rushed to withdraw their savings. Francisco Lopes, appointed central bank governor on the day of the devaluation, was blamed for failing to calm the markets. A Harvard PhD, Mr Lopes gave the impression that he was an academic lacking in market

savvy. He lost his job. To be fair, Mr Lopes was also a casualty of the fierce power struggle within the government over economic strategy. While Pedro Malan, finance minister, has pushed for an orthodox stabilisation programme, including fiscal austerity to limit inflation, some members of the government, notably José Serra, the influential health minister, are known to favour a more expansionist approach. Mr Lopes was in the Serra camp and lost out when Mr Malan offered his resignation last week to force the president's hand.

The choice of Mr Fraga to succeed Mr Lopes is likely to be hotly disputed in the Senate, which will debate the appointment when after the Carnival recess later this month.

Yet the most controversial thing about Mr Fraga is also his strongest card: he knows the enemy from within.

Mr Fraga, 42, was a managing director at Soros Fund Management, the company that runs Mr Soros's investment funds. Before that, he managed a fund that took bets on macroeconomic changes, such as devaluations in emerging markets.

His contacts are impeccable. During his time with Mr Soros and a previous period at Salomon Brothers, Mr Fraga became well known at the International Monetary Fund and the World Bank, for which he has worked as an adviser. He has previous experience in Brasilia as the central bank's director for international affairs. Mr Fraga chances in the Senate may also be helped by a

family connection with Mr Magalhães, the most important politician in Congress.

As well as a doctorate from Princeton, Mr Fraga is a graduate of the Catholic University in Rio de Janeiro, which has supplied most of the tightly-knit group of reformers around Mr Cardoso.

"He is not just someone with market experience. He has a unique set of credentials," said Francisco Gros, a former central bank president.

The challenge facing Mr Fraga is to construct a credible monetary framework to convince investors that inflation can be controlled and the currency stabilised. Only then will he have any way to bring down interest rates, now at a crippling 39 per cent.



The 18th-century splendour of Rambouillet could not be more different from the utilitarian air force base in Dayton, Ohio, where 3½ years ago the Bosnian war was brought to an end.

But the west's aim in bringing representatives of Kosovo's warring Serbs and Albanians to the French presidential chateau later today is the same: to incardinate these negotiators over the next week until they agree on a peace deal, with the threat of Nato bombing and military action if they fail.

The delicacy of the operation was underscored by the refusal of Serb authorities yesterday to allow the departure of some of the Albanian negotiators from Kosovo. This risked delaying the start of the talks.

Either success or failure at

Rambouillet will draw Nato further into the Balkans. Nato is offering to underwrite a peace deal by putting some 28,000 troops into Kosovo, as many as it now has in neighbouring Bosnia. But the spirit of democratic compromise is foreign both to Serbs in President Slobodan Milosevic's Yugoslavia and to the fractious Kosovo Albanians. So any chance of Kosovo becoming a free and fair society will depend on Nato and the Organisation for Security and Co-operation in Europe (OSCE), which already has 1,000 monitors in the Serb province.

If the talks at Rambouillet fail, Nato has readied itself to launch air strikes against the Serbs, if they prove to be the obstacle, or to start cutting off arms to the Kosovo Liberation Army (KLA) separatists, if they are the ones blocking peace.

Nato officials admit that sulky non-cooperation at Rambouillet is unlikely, by itself, to bring on western warplanes or intervention; only more trouble in Kosovo is likely to do that. But since an impasse at Rambouillet is sure to trigger renewed war in Kosovo, this distinction may be moot.

Chris Hill, the American who is a veteran of Dayton and will be the chief mediator at Rambouillet, is all too conscious of the problems. "For most people Kosovo is

an issue that burst on to the stage a year ago, but has in fact been around since the turn of the century, and has not been easy to solve for the first 90 years," he said before leaving Belgrade for France.

The results of his shuttle diplomacy in recent months will be the main matter for discussion today. It is a plan that, in his words, seeks to "reconcile the irreconcilable" demands of Kosovar Albanians for independence, and of most Serbs that Kosovo stay within the republic of Serbia. While independence might bring only more instability to the region, the demands of Serbia, after recent atrocities, also appear unreasonable.

Mr Hill's plan for interim autonomy for Kosovo is therefore intentionally vague on whether Kosovo should stay in Serbia or simply within federal Yugoslavia, and on how this interim status might be reviewed after three years.

These two sticking points could be traded off. Albanians might settle for what they felt was a bad autonomy deal if it could be changed in a future referendum on independence. The Serbs will, of course, be on guard against such a manoeuvre. This is why the review clause may prove to be the stickiest to negotiate.

The other reassurance for

the Albanians would be the presence of Nato troops. "This should placate them," a Nato official said yesterday. "Indeed, we've been telling them that they would be better off with autonomy plus Nato than with independence in a situation with so many loose weapons, leadership divisions and economic problems."

Nato is confident that the Serbs would, as they did in Bosnia, drop their opposition to letting alliance troops into Kosovo. They have already swallowed their words in admitting OSCE monitors and conceding international mediation in what they once insisted was an "internal matter."

The prospect of Nato putting its boots on the ground in Kosovo results from a shift in Washington's attitude. Last October, Tony Blair, the prime minister, said he would be ready to send troops in. Last month he was joined in this by President Jacques Chirac of France. Both remember how US refusal to join British and French troops in Bosnia during the war led to a transatlantic divergence in policy.

The UK has been privately pushing Washington to send at least a token force. Given that none of their original fears about casualties have come true, President Clinton and his senior officials

started this week to sound Congress out on sending 2,000-4,000 US troops to underpin a peace deal, probably under European command for the first time in a peace-keeping operation.

The Kosovo commander would be Lt Gen Mike Jackson, the British head of the Nato Rapid Reaction Corps. The fact that he is a European would please the French, who would be the other big troop contributor. The fact that he is also a Briton with a Nato hat would reassure Washington.

So, the shift that began in Dayton could be completed at Rambouillet. Nato is preparing itself for a long-term commitment to the Balkans. Like central Europe during the cold war, the region is destined to become a key Nato front.

UNIT TRUSTS

WINNERS AND LOSERS

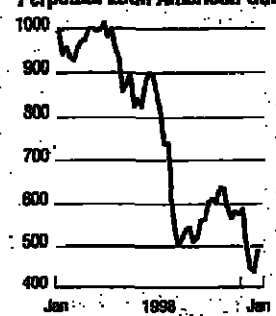
TOP FIVE OVER 1 YEAR:

Fidelity American	1,291
Baring German Growth	1,278
Aberdeen Pacific Technology	1,250
Investco European Growth	1,510
Henderson Global Technology	1,491

BOTTOM FIVE OVER 1 YEAR:

Perpetual Latin American Gth	488
Scott Widows Latin America A	490
Edinburgh Latin America A	500
ABG Growth Latin America	520
Flare Arrows G Latin America A	536

Perpetual Latin American Gth



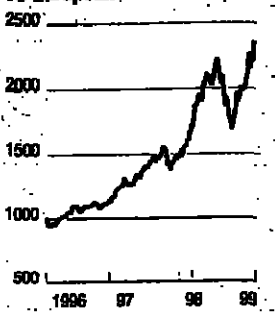
TOP FIVE OVER 3 YEARS:

Fidelity American	2,608
Investco European Growth	2,488
TU European	2,346
Baring German Growth	2,164
Jupiter UK Growth Exempt	2,148

BOTTOM FIVE OVER 3 YEARS:

Old Mutual Thailand Acc	211
Save & Prosper Gold & Exptn	257
Lazard Pacific Growth	369
Baring Eastern	371
M&G Gold	373

TU European



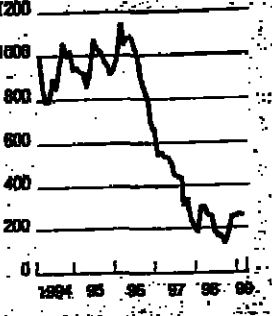
TOP FIVE OVER 5 YEARS:

Aberdeen Pacific Technology	3,440
Fidelity American	3,404
GA North America Growth	3,235
Investco European Growth	3,070
Edinburgh North America A	2,989

BOTTOM FIVE OVER 5 YEARS:

Old Mutual Thailand Acc	284
Save & Prosper Gold & Exptn	301
Edinburgh Latin America A	308
Save & Prosper Korea	319
Save & Prosper South East Asia	352

Old Mutual Thailand Acc



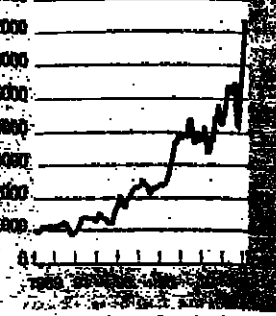
TOP FIVE OVER 10 YEARS:

Aberdeen Pacific Technology	10,328
GA North America Growth	8,633
Fidelity American	7,862
Henderson Global Technology	7,548
F&C US Smaller Companies	7,348

BOTTOM FIVE OVER 10 YEARS:

Baring Japan	277
M&G Japan Acc	451
Investco Asian Growth	459
Henderson Japan Smaller Cos	515
M&G Japan Index	534

Henderson Global Technology



Indices

Average Unit Trust	1024
Average Investment Trust	1024
Bank	1044
Building Society	1042
Stockmarket: FTSE All-Share Index	1028

UK Growth

Jupiter UK Growth Exempt	1259
Lloyds TSB Environmental Inv	1131
Johnson Fry Slaters Growth	903
River & Mercantile 1st Growth	1025
Edinburgh Capital Growth	1008
SECTOR AVERAGE	1008

UK Growth & Income

Laurence Keen Income & Growth	1076
Fleming Select UK Income	1080
HL The Utilities	1119
Fidelity Moneybuilder Index	1081
Johnson Fry UK Income	1106
SECTOR AVERAGE	1026

UK Smaller Companies

INVESTCO UK Smaller Cos (ST)	1282
Henderson Exempt Capital	1086
RWD UK Smaller Cos	940
Laurence Keen Smaller Cos	962
Garmon UK Smaller Companies	848
SECTOR AVERAGE	910

UK Equity Income

RWD UK Equity Income	1041
NPI Global Core Income Inc Ret	1136
Jupiter Income	1084
Fidelity Income Plus	1045
Premier Dividend	1028
SECTOR AVERAGE	1008

UK Equity & Bond Income

Abney National Extra Income	1050
Jupiter High Income	1056
OS UK Income	1023
Edinburgh UK Income A	1036
Fidelity High Income	1073
SECTOR AVERAGE	1017

UK Eq & Bd

Perpetual High Income	980
NPI Extra Income Ret	1086
Castle Income Dis	1001
Newton Distributor	1026
Credit Suisse Monthly Inc Port	984
SECTOR AVERAGE	1006

UK Fixed Interest

CSU PPT Preference	1122
Morgan Gren MP Annuity Conv Ex	1154
Aberdeen Pacific Gld Bond	1119
Mercury Long-Dated Bond	1096
Edinburgh Pacific Growth	1076
SECTOR AVERAGE	1080

UK Gilt

Fleming Select Long-dated Gilt	1252
Fidelity Institutional Lg Gilt	1256
Mercury Long-Dated Bond	1172
M&G Gilt & Fixed Interest	1164
Fleming Select UK Index Linked	1193
SECTOR AVERAGE	1126

Far East ex Japan

Friends Prov Australia	1009
HSBC Hong Kong Growth	1124
Fidelity South East Asia	953
Henderson Asian Enterprise	946
Henry Cooke LG East Enterprise	760
SECTOR AVERAGE	890

Far East inc Japan

Save & Prosper Far East Sm Cos	1043
Jupiter Far East	976
Smith & Williamson Far East	913
Dresdner RCM Oriental Income	963
Royal & SunAll Far East	908
SECTOR AVERAGE	892

Japan

Baillie Gifford Japanese	1026
Murray Japan Growth	1124
Newton Japan	945
INVESTCO Japan Growth (ST)	959
Martin Currie Japan	991
SECTOR AVERAGE	956

Europe

INVESTCO European Growth	1510
TU European	1423
Baring German Growth	1729
INVESTCO European Small Cos	1448
Newton European	1272
SECTOR AVERAGE	1183

Global Emerging Mkts

Stewart Ivory Emerging Market	737
Hill Samuel Global Emerg Mkts	737
Garmon PS Emerging Markets	736
Mercury Emerging Markets	678
Save & Prosper Emerging Mkts	713
SECTOR AVERAGE	686

International Equity Income

INVESTCO International Income	1145
Premier Global 100	1287
Mayflower Global Income	1020
M&G International Income	1013
SECTOR AVERAGE	1091

International Fixed Interest

Newton International Bond	1086
AES Int Bond & Convertible	1059
Baring US Int Fd Int	1070
Mayflower Managed	1079
Baring Global Bond	1032
SECTOR AVERAGE	1056

International Equity & Bond

Fleming General Opportunities	1129
Bank of Ireland Ex Mgd Growth	1067
GA Income Portfolio	1070
NPI General	1101
Garmon PS Medium Term Balan	1148
SECTOR AVERAGE	1084

International Growth

Sox Equitable Technology	1463
Fidelity Managed International	1367
Aberdeen Pacific Technology	1380
Garmon Global Utilities	1313
Henderson Global Technology	1491
SECTOR AVERAGE	1397

1 year (%)

3	5	10	Volatility	Yield
3.5	3.0	2.8	3.1	3.5
3.0	2.8	2.6	3.1	3.0
2.8	2.6	2.4	3.1	2.8
2.6	2.4	2.2	3.1	2.6

1 year (%)

3	5	10	Volatility	Yield
3.5	3.0	2.8	3.1	3.5
3.0	2.8	2.6	3.1	3.0
2.8	2.6	2.4	3.1	2.8
2.6	2.4	2.2	3.1	2.6

Best Peps

INVESTCO European Growth	1510
TU European	1423
Baring German Growth	1729
INVESTCO European Small Cos	1448
Newton European	1272
SECTOR AVERAGE	1183

Property

Aberdeen Pacific Property Str	909
North Property	901
Average Residential Property	909
Baring Property	978
SECTOR AVERAGE	942

Nth America

Fidelity American	1081
Old Mutual North American	1298
Flemington American Growth	1426
Baring American Growth	1283
GA North America Growth	1302
SECTOR AVERAGE	1142

Commodity & Energy

M&G Australian Acc	1007
M&G Commodity	915
Hill Samuel Natural Resources	824
Lloyds TSB Natural Resources	808
Save & Prosper Commodity	986
SECTOR AVERAGE	793

Investment Trust Units

Outlier High Inc Int Acc	1023
Aberdeen Pacific Fd of IT Dis	1046
Premier Enterprise	1086
S & F Investment Trst Portfolio	1099
Outlier Investment Trusts	1017
SECTOR AVERAGE	996

Fund of Funds

Fidelity Moneybuilder Plus	1210
Family Fidelity Managed	1185
Royal & SunAll Portfolio	1946
Lloyds Bank Income Portfolio	1006
Lloyds TSB Selector	1012
SECTOR AVERAGE	1018

INVESTMENT TRUSTS

WINNERS AND LOSERS

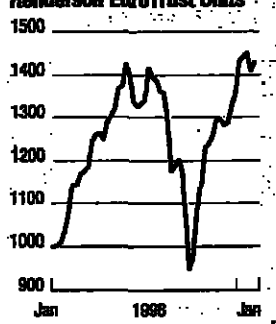
TOP FIVE OVER 1 YEAR:

Henderson EuroTrust Units	1,489
Foreign & Col Private Equity	1,438
Henderson EuroTrust Units	1,429
Jupiter Private Growth	1,416
Perpetual European	1,403

BOTTOM FIVE OVER 1 YEAR:

First Russian Frontiers	204
Foreign & Col Em Markets	410
Aberdeen Latin American	450
Edinburgh Inc	461
Yee Plantations	513

Henderson EuroTrust Units



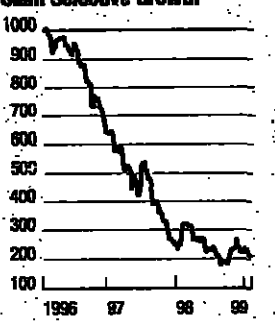
TOP FIVE OVER 3 YEARS:

Foreign & Col Enterprise	3,240
Jupiter Private Growth	2,701
Henderson EuroTrust Units	2,559
Flemington American	2,224
TR European Growth	2,159

BOTTOM FIVE OVER 3 YEARS:

First Russian Frontiers	197
East German	203
Siem Selective Growth	211
Govett Asian Smaller Cos	251
Aberdeen New Trst	281

Siem Selective Growth



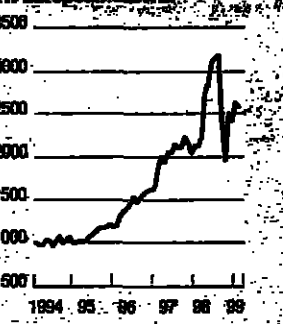
TOP FIVE OVER 5 YEARS:

Foreign & Col Enterprise	3,734
Jupiter Private Growth	2,922
Canover	2,784
TR European Growth	2,577
Garmon European	2,399

BOTTOM FIVE OVER 5 YEARS:

Edinburgh Jaws	121
East German	131
Siem Selective Growth	220
Govett Asian Smaller Cos	230
Garmon European Pacific	269

TR European Growth



TOP FIVE OVER 10 YEARS:

Foreign & Col Enterprise	9,976
Canover	6,790
Jupiter Private Growth	6,764
Edinburgh Jaws	6,635
Edinburgh Jaws	6,635

BOTTOM FIVE OVER 10 YEARS:

Edinburgh Jaws	309
Baillie Gifford Japan	344
Flare Arrows Japan	709
Baillie Gifford Japan	886
Flemington Japanese	942

Int General

Personal Assets	1110
Majestic	1145
Tribune	1137
Alliance	1140
Witan	1112
SECTOR AVERAGE	1077

Int Capital Growth

Jupiter Private Growth	1416
Foreign & Col Spec US	1229
British Assets Growth	1132
RIT Capital Partners	1226
Anglo & Overseas	1165
SECTOR AVERAGE	1086

Int Income Growth

British Assets	1126
Securities Trust of Scotland	960
Murray International	1007
SECTOR AVERAGE	1036

Smaller Cos Int'l

Harold	1239
Henderson Smaller Companies	1120
Henderson Stra	982
Mid Wynd International	998
Foreign & Col Small Cos	980
SECTOR AVERAGE	973

UK General

Fleming Cloverhouse	1084
Foreign & Col Spec US Units	1199
Investco Capital Growth	1056
Edinburgh UK Tracker	1052
Albany	1029
SECTOR AVERAGE	1074

UK Capital Growth

Ivey & Sims ISS	1159
Brookside	1177
Legal & General Recovery	1081
Flemington	1080
Undervalued Assets	933
SECTOR AVERAGE	999

UK Inc Gth

Garmon Brit Inc & Gth Units	1214
Flemington Income & Capital Units	1182
City of London	1025
Temple Bar	1067
Guinness Flight Extra Inc Unit	1135
SECTOR AVERAGE	1015

Smaller Cos UK

Garmon Smaller Companies	893
Eaglet	1146
Flemington	865
Shires Smaller Companies	1044
31 Smaller Quoted Companies	1094
SECTOR AVERAGE	898

High Income

Aberdeen High Income	1267
Glasgow Income	1229
Darwin	1162
Shires Income	1159
Aberdeen Convertible Income	1127
SECTOR AVERAGE	1163

Venture & Devt Cap

Foreign & Col Enterprise	1184
Electra	1288
Canover	964
Thompson Clive	1129
Mercury Grosvener	1011
SECTOR AVERAGE	1072

North America

Flemington US Tracker	1124
Edinburgh US Tracker	1263
US Smaller Companies	1052
Foreign & Col US Small Cos	985
North Atlantic Small Cos	780
SECTOR AVERAGE	1021

Europe

Henderson EuroTrust Units	1429
TR European Growth	1214
Perpetual European	1403
Garmore European	1338
Charter European	1232
SECTOR AVERAGE	1287

1 year (%)

(d)	3	5	10	Volatility	Yield
214	1735	-	-	3.4	3.5
182	1685	1677	3	3.5	3.7
225	1648	1680	0	4.8	3.4
087	1806	1856	5	5.1	4.1
135	1597	-	-	3.0	3.7

[illegible]

OTHER UK UNIT TRUSTS

مسكنا من المجلد

FT MANAGED FUNDS SERVICE

● FT Cayman Unit Trust Prices are available over the telephone. Call the FT Cayman Help Desk on 1-844-574-8788 or 4738 555, more details.

[illegible]

Offshore Funds and Insurances

● FT Clayline Unit Trust Prices are available over the telephone. Call the FT Clayline Help Desk on (444 271) 873 4828 for more details.

FT MANAGED FUNDS SERVICE

JERSEY
(FSA RECOGNISED)

[illegible]

JERSEY
(REGULATED)(*)

[illegible][illegible]

LUXEMBOURG
(FSA RECOGNISED)

[illegible][illegible]

11-11-11

[illegible]

	Vol	Open	High	Low	Close	Chg	% Chg
Global Equity Market Fund					20.382	42.00	2.05
Vol: 10,000							
10/10/99	10,000	20.382	20.382	20.382	20.382	0.00	0.00
10/11/99	10,000	20.382	20.382	20.382	20.382	0.00	0.00
10/12/99	10,000	20.382	20.382	20.382	20.382	0.00	0.00
10/13/99	10,000	20.382	20.382	20.382	20.382	0.00	0.00
10/14/99	10,000	20.382	20.382	20.382	20.382	0.00	0.00
10/15/99	10,000	20.382	20.382	20.382	20.382	0.00	0.00
10/16/99	10,000	20.382	20.382	20.382	20.382	0.00	0.00
10/17/99	10,000	20.382	20.382	20.382	20.382	0.00	0.00
10/18/99	10,000	20.382	20.382	20.382	20.382	0.00	0.00
10/19/99	10,000	20.382	20.382	20.382	20.382	0.00	0.00
10/20/99	10,000	20.382	20.382	20.382	20.382	0.00	0.00
10/21/99	10,000	20.382	20.382	20.382	20.382	0.00	0.00
10/22/99	10,000	20.382	20.382	20.382	20.382	0.00	0.00
10/23/99	10,000	20.382	20.382	20.382	20.382	0.00	0.00
10/24/99	10,000	20.382	20.382	20.382	20.382	0.00	0.00
10/25/99	10,000	20.382	20.382	20.382	20.382	0.00	0.00
10/26/99	10,000	20.382	20.382	20.382	20.382	0.00	0.00
10/27/99	10,000	20.382	20.382	20.382	20.382	0.00	0.00
10/28/99	10,000	20.382	20.382	20.382	20.382	0.00	0.00
10/29/99	10,000	20.382	20.382	20.382	20.382	0.00	0.00
10/30/99	10,000	20.382	20.382	20.382	20.382	0.00	0.00
10/31/99	10,000	20.382	20.382	20.382	20.382	0.00	0.00
11/01/99	10,000	20.382	20.382	20.382	20.382	0.00	0.00
11/02/99	10,000	20.382	20.382	20.382	20.382	0.00	0.00
11/03/99	10,000	20.382	20.382	20.382	20.382	0.00	0.00
11/04/99	10,000	20.382	20.382	20.382	20.382	0.00	0.00
11/05/99	10,000	20.382	20.382	20.382	20.382	0.00	0.00
11/06/99	10,000	20.382	20.382	20.382	20.382	0.00	0.00
11/07/99	10,000	20.382	20.382	20.382	20.382	0.00	0.00
11/08/99	10,000	20.382	20.382	20.382	20.382	0.00	0.00
11/09/99	10,000	20.382	20.382	20.382	20.382	0.00	0.00
11/10/99	10,000	20.382	20.382	20.382	20.382	0.00	0.00
11/11/99	10,000	20.382	20.382	20.382	20.382	0.00	0.00
11/12/99	10,000	20.382	20.382	20.382	20.382	0.00	0.00
11/13/99	10,000	20.382	20.382	20.382	20.382	0.00	0.00
11/14/99	10,000	20.382	20.382	20.382	20.382	0.00	0.00
11/15/99	10,000	20.382	20.382	20.382	20.382	0.00	0.00
11/16/99	10,000	20.382	20.382	20.382	20.382	0.00	0.00
11/17/99	10,000	20.382	20.382	20.382	20.382	0.00	0.00
11/18/99	10,000	20.382	20.382	20.382	20.382	0.00	0.00
11/19/99	10,000	20.382	20.382	20.382	20.382	0.00	0.00
11/20/99	10,000	20.382	20.382	20.382	20.382	0.00	0.00
11/21/99	10,000	20.382	20.382				

Deposits	\$10,000
Accounts Payable	5,000
Accounts Receivable	10,000
Inventory	10,000
Prepaid Insurance	1,000
Land	10,000
Buildings	10,000
Equipment	10,000
Accumulated Depreciation	5,000
Notes Payable	10,000
Long-Term Debt	10,000
Common Stock	10,000
Retained Earnings	10,000
Total	100,000

[illegible][illegible]

Global Strategy Fund

FUND		Jan 1987	Feb 1987	Mar 1987	Apr 1987	May 1987	Jun 1987	Jul 1987	Aug 1987	Sep 1987	Oct 1987	Nov 1987	Dec 1987	Jan 1988	Feb 1988	Mar 1988	Apr 1988	May 1988	Jun 1988	Jul 1988	Aug 1988	Sep 1988	Oct 1988	Nov 1988	Dec 1988	Jan 1989	Feb 1989	Mar 1989	Apr 1989	May 1989	Jun 1989	Jul 1989	Aug 1989	Sep 1989	Oct 1989	Nov 1989	Dec 1989	Jan 1990	Feb 1990	Mar 1990	Apr 1990	May 1990	Jun 1990	Jul 1990	Aug 1990	Sep 1990	Oct 1990	Nov 1990	Dec 1990	Jan 1991	Feb 1991	Mar 1991	Apr 1991	May 1991	Jun 1991	Jul 1991	Aug 1991	Sep 1991	Oct 1991	Nov 1991	Dec 1991	Jan 1992	Feb 1992	Mar 1992	Apr 1992	May 1992	Jun 1992	Jul 1992	Aug 1992	Sep 1992	Oct 1992	Nov 1992	Dec 1992	Jan 1993	Feb 1993	Mar 1993	Apr 1993	May 1993	Jun 1993	Jul 1993	Aug 1993	Sep 1993	Oct 1993	Nov 1993	Dec 1993	Jan 1994	Feb 1994	Mar 1994	Apr 1994	May 1994	Jun 1994	Jul 1994	Aug 1994	Sep 1994	Oct 1994	Nov 1994	Dec 1994	Jan 1995	Feb 1995	Mar 1995	Apr 1995	May 1995	Jun 1995	Jul 1995	Aug 1995	Sep 1995	Oct 1995	Nov 1995	Dec 1995	Jan 1996	Feb 1996	Mar 1996	Apr 1996	May 1996	Jun 1996	Jul 1996	Aug 1996	Sep 1996	Oct 1996	Nov 1996	Dec 1996	Jan 1997	Feb 1997	Mar 1997	Apr 1997	May 1997	Jun 1997	Jul 1997	Aug 1997	Sep 1997	Oct 1997	Nov 1997	Dec 1997	Jan 1998	Feb 1998	Mar 1998	Apr 1998	May 1998	Jun 1998	Jul 1998	Aug 1998	Sep 1998	Oct 1998	Nov 1998	Dec 1998	Jan 1999	Feb 1999	Mar 1999	Apr 1999	May 1999	Jun 1999	Jul 1999	Aug 1999	Sep 1999	Oct 1999	Nov 1999	Dec 1999	Jan 2000	Feb 2000	Mar 2000	Apr 2000	May 2000	Jun 2000	Jul 2000	Aug 2000	Sep 2000	Oct 2000	Nov 2000	Dec 2000	Jan 2001	Feb 2001	Mar 2001	Apr 2001	May 2001	Jun 2001	Jul 2001	Aug 2001	Sep 2001	Oct 2001	Nov 2001	Dec 2001	Jan 2002	Feb 2002	Mar 2002	Apr 2002	May 2002	Jun 2002	Jul 2002	Aug 2002	Sep 2002	Oct 2002	Nov 2002	Dec 2002	Jan 2003	Feb 2003	Mar 2003	Apr 2003	May 2003	Jun 2003	Jul 2003	Aug 2003	Sep 2003	Oct 2003	Nov 2003	Dec 2003	Jan 2004	Feb 2004	Mar 2004	Apr 2004	May 2004	Jun 2004	Jul 2004	Aug 2004	Sep 2004	Oct 2004	Nov 2004	Dec 2004	Jan 2005	Feb 2005	Mar 2005	Apr 2005	May 2005	Jun 2005	Jul 2005	Aug 2005	Sep 2005	Oct 2005	Nov 2005	Dec 2005	Jan 2006	Feb 2006	Mar 2006	Apr 2006	May 2006	Jun 2006	Jul 2006	Aug 2006	Sep 2006	Oct 2006	Nov 2006	Dec 2006	Jan 2007	Feb 2007	Mar 2007	Apr 2007	May 2007	Jun 2007	Jul 2007	Aug 2007	Sep 2007	Oct 2007	Nov 2007	Dec 2007	Jan 2008	Feb 2008	Mar 2008	Apr 2008	May 2008	Jun 2008	Jul 2008	Aug 2008	Sep 2008	Oct 2008	Nov 2008	Dec 2008	Jan 2009	Feb 2009	Mar 2009	Apr 2009	May 2009	Jun 2009	Jul 2009	Aug 2009	Sep 2009	Oct 2009	Nov 2009	Dec 2009	Jan 2010	Feb 2010	Mar 2010	Apr 2010	May 2010	Jun 2010	Jul 2010	Aug 2010	Sep 2010	Oct 2010	Nov 2010	Dec 2010	Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011	Jun 2011	Jul 2011	Aug 2011	Sep 2011	Oct 2011	Nov 2011	Dec 2011	Jan 2012	Feb 2012	Mar 2012	Apr 2012	May 2012	Jun 2012	Jul 2012	Aug 2012	Sep 2012	Oct 2012	Nov 2012	Dec 2012	Jan 2013	Feb 2013	Mar 2013	Apr 2013	May 2013	Jun 2013	Jul 2013	Aug 2013	Sep 2013	Oct 2013	Nov 2013	Dec 2013	Jan 2014	Feb 2014	Mar 2014	Apr 2014	May 2014	Jun 2014	Jul 2014	Aug 2014	Sep 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Research & Management Co.

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Offshore Insurances and Other Funds

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	Notes	Price	+/-
Allied Denorex	N	474 1/2	-2 1/2
Bulfinch HPI		28 1/2	
Sun Chemical		14	
Daggon	SW	661 1/2	+13 1/2
Chlorobenzene A		64 1/2	
Highland	T	507 1/2	
5-Lac Cr Sb Bld		253 1/2	
Kline Y		64 1/2	
Megawave		738 1/2	+13 1/2
Seymour CS		28	
		526 1/2	-3 1/2

BANKS, RETAIL

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 Albright & Wilson
 Amber Ind
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 Amcor Extrusions
 Amco Pl
 BOC
 BTP
 Bayer Chemicals
 Pyrex DM
 Borden
 Bristol
 British Vici
 Bunnell-Castrol
 Chem (IN)
 Ciba
 Clomphar
 Eas & Everard
 Englehard US
 European Celanese
 Hexaco
 Hoechst DM
 ICI
 Johnson Matthey &
 Kureha
 Laborte
 Macosic
 Merion
 Mitsui
 Molluskent Chem
 P-2-Step SRI
 Parnac
 Scaev
 Sealed Air
 Wacker
 Wacker-Chemie
 Yorkshire
 Yule Celco
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Notes	Price
Packings	561
Packings	194
Andrew	187.2
SEB Group	701.5
Swan Hill	77
Ty Hoses	122.5
Taylor Wood	189.5
Tiffany Douglas	245
Ty	18
Vite	252
Vitoplast	252
Caladrum	118.5
Isard Hips	31.5
Frederick	221.5
Wiggins Corp	11.4
Wilson (Canada)	118.5
Wilson Dawson	350
Wimsey (S)	118

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	Notes	Price	+ or -
Amex From A PM		67 1/4	
BP Prop AS		467 1/2	+1 1/2
Bento E		92	
Brkeley Inv AS		16 1/4	
Casual		77 1/2	
Chg 100 Uls E		540	-5
DC		269 1/2	-21 1/4
Defco Mgmt HGS		182 1/2	+3 1/2
Jarvis Mgmt HGS		571 1/2	+3 1/2
Kennedy B HW		321 1/2	-1 1/2
Landmark HGS		338	-1 1/2
Midwest Crp T		368	-1 1/2
Midwest Crp T		368	-1 1/2
Pac Desktop AS		119 1/2	+5 1/2
Penney Hds		192 1/2	-1 1/2
Seafarmer		58 1/2	
Swire Pac AIRS		251 1/2	-11
Texas Zambach			
Unicom E		180 1/2	+7 1/2
Warder Storage		217 1/2	+2 1/2
Wellspring		24	

British Energy	5.4
London & A/R	5.7
B NVR	5.5
National Grid	5.9
National Power	5.4
Western Elect Plt Str	5.2
PowerGen	5.7
Scottish Power	5.0
Scott & Southern Energy	5.8
Viridian	5.8

Model	Price	Features
Model 1	\$199.95	16MB RAM, 10MB Hard Drive, 3.5" Floppy Disk Drive, VGA Graphics, 100MHz Processor
Model 2	\$249.95	32MB RAM, 20MB Hard Drive, 3.5" Floppy Disk Drive, VGA Graphics, 100MHz Processor
Model 3	\$299.95	64MB RAM, 40MB Hard Drive, 3.5" Floppy Disk Drive, VGA Graphics, 100MHz Processor
Model 4	\$349.95	128MB RAM, 80MB Hard Drive, 3.5" Floppy Disk Drive, VGA Graphics, 100MHz Processor
Model 5	\$399.95	256MB RAM, 160MB Hard Drive, 3.5" Floppy Disk Drive, VGA Graphics, 100MHz Processor
Model 6	\$449.95	512MB RAM, 320MB Hard Drive, 3.5" Floppy Disk Drive, VGA Graphics, 100MHz Processor
Model 7	\$499.95	1GB RAM, 640MB Hard Drive, 3.5" Floppy Disk Drive, VGA Graphics, 100MHz Processor
Model 8	\$549.95	2GB RAM, 1280MB Hard Drive, 3.5" Floppy Disk Drive, VGA Graphics, 100MHz Processor
Model 9	\$599.95	4GB RAM, 2560MB Hard Drive, 3.5" Floppy Disk Drive, VGA Graphics, 100MHz Processor
Model 10	\$649.95	8GB RAM, 5120MB Hard Drive, 3.5" Floppy Disk Drive, VGA Graphics, 100MHz Processor
Model 11	\$699.95	16GB RAM, 10240MB Hard Drive, 3.5" Floppy Disk Drive, VGA Graphics, 100MHz Processor
Model 12	\$749.95	32GB RAM, 20480MB Hard Drive, 3.5" Floppy Disk Drive, VGA Graphics, 100MHz Processor
Model 13	\$799.95	64GB RAM, 40960MB Hard Drive, 3.5" Floppy Disk Drive, VGA Graphics, 100MHz Processor
Model 14	\$849.95	128GB RAM, 81920MB Hard Drive, 3.5" Floppy Disk Drive, VGA Graphics, 100MHz Processor
Model 15	\$899.95	256GB RAM, 163840MB Hard Drive, 3.5" Floppy Disk Drive, VGA Graphics, 100MHz Processor
Model 16	\$949.95	512GB RAM, 327680MB Hard Drive, 3.5" Floppy Disk Drive, VGA Graphics, 100MHz Processor
Model 17	\$999.95	1GB RAM, 655360MB Hard Drive, 3.5" Floppy Disk Drive, VGA Graphics, 100MHz Processor
Model 18	\$1049.95	2GB RAM, 1310720MB Hard Drive, 3.5" Floppy Disk Drive, VGA Graphics, 100MHz Processor
Model 19	\$1099.95	4GB RAM, 2621440MB Hard Drive, 3.5" Floppy Disk Drive, VGA Graphics, 100MHz Processor
Model 20	\$1149.95	8GB RAM, 5242880MB Hard Drive, 3.5" Floppy Disk Drive, VGA Graphics, 100MHz Processor
Model 21	\$1199.95	16GB RAM, 10485760MB Hard Drive, 3.5" Floppy Disk Drive, VGA Graphics, 100MHz Processor
Model 22	\$1249.95	32GB RAM, 20971520MB Hard Drive, 3.5" Floppy Disk Drive, VGA Graphics, 100MHz Processor
Model 23	\$1299.95	64GB RAM, 41943040MB Hard Drive, 3.5" Floppy Disk Drive, VGA Graphics, 100MHz Processor
Model 24	\$1349.95	128GB RAM, 83886080MB Hard Drive, 3.5" Floppy Disk Drive, VGA Graphics, 100MHz Processor
Model 25	\$1399.95	256GB RAM, 167772160MB Hard Drive, 3.5" Floppy Disk Drive, VGA Graphics, 100MHz Processor
Model 26	\$1449.95	512GB RAM, 335544320MB Hard Drive, 3.5" Floppy Disk Drive, VGA Graphics, 100MHz Processor
Model 27	\$1499.95	1GB RAM, 671088640MB Hard Drive, 3.5" Floppy Disk Drive, VGA Graphics, 100MHz Processor
Model 28	\$1549.95	2GB RAM, 1342177280MB Hard Drive, 3.5" Floppy Disk Drive, VGA Graphics, 100MHz Processor
Model 29	\$1599.95	4GB RAM, 2684354560MB Hard Drive, 3.5" Floppy Disk Drive, VGA Graphics, 100MHz Processor
Model 30	\$1649.95	8GB RAM, 5368709120MB Hard Drive, 3.5" Floppy Disk Drive, VGA Graphics, 100MHz Processor
Model 31	\$1699.95	16GB RAM, 10737418240MB Hard Drive, 3.5" Floppy Disk Drive, VGA Graphics, 100MHz Processor
Model 32	\$1749.95	32GB RAM, 21474836480MB Hard Drive, 3.5" Floppy Disk Drive, VGA Graphics, 100MHz Processor
Model 33	\$1799.95	64GB RAM, 42949672960MB Hard Drive, 3.5" Floppy Disk Drive, VGA Graphics, 100MHz Processor
Model 34	\$1849.95	128GB RAM, 85899345920MB Hard Drive, 3.5" Floppy Disk Drive, VGA Graphics, 100MHz Processor
Model 35	\$1899.95	256GB RAM, 171798691840MB Hard Drive, 3.5" Floppy Disk Drive, VGA Graphics, 100MHz Processor
Model 36	\$1949.95	512GB RAM, 343597383680MB Hard Drive, 3.5" Floppy Disk Drive, VGA Graphics, 100MHz Processor
Model 37	\$1999.95	1GB RAM, 687194767360MB Hard Drive, 3.5" Floppy Disk Drive, VGA Graphics, 100MHz Processor
Model 38	\$2049.95	2GB RAM, 1374389534720MB Hard Drive, 3.5" Floppy Disk Drive, VGA Graphics, 100MHz Processor
Model 39	\$2099.95	4GB RAM, 2748779069440MB Hard Drive, 3.5" Floppy Disk Drive, VGA Graphics, 100MHz Processor
Model 40	\$2149.95	8GB RAM, 5497558138880MB Hard Drive, 3.5" Floppy Disk Drive, VGA Graphics, 100MHz Processor
Model 41	\$2199.95	16GB RAM, 10995116277760MB Hard Drive, 3.5" Floppy Disk Drive, VGA Graphics, 100MHz Processor
Model 42	\$2249.95	32GB RAM, 21990232555520MB Hard Drive, 3.5" Floppy Disk Drive, VGA Graphics, 100MHz Processor
Model 43	\$2299.95	64GB RAM, 43980465111040MB Hard Drive, 3.5" Floppy Disk Drive, VGA Graphics, 100MHz Processor
Model 44	\$2349.95	128GB RAM, 87960930222080MB Hard Drive, 3.5" Floppy Disk Drive, VGA Graphics, 100MHz Processor
Model 45	\$2399.95	256GB RAM, 175921860444160MB Hard Drive, 3.5" Floppy Disk Drive, VGA Graphics, 100MHz Processor
Model 46	\$2449.95	512GB RAM, 351843720888320MB Hard Drive, 3.5" Floppy Disk Drive, VGA Graphics, 100MHz Processor
Model 47	\$2499.95	1GB RAM, 703687441776640MB Hard Drive, 3.5" Floppy Disk Drive, VGA Graphics, 100MHz Processor
Model 48	\$2549.95	2GB RAM, 1407374883553280MB Hard Drive, 3.5" Floppy Disk Drive, VGA Graphics, 100MHz Processor
Model 49	\$2599.95	4GB RAM, 2814749767106560MB Hard Drive, 3.5" Floppy Disk Drive, VGA Graphics, 100MHz Processor
Model 50	\$2649.95	8GB RAM, 5629499534213120MB Hard Drive, 3.5" Floppy Disk Drive, VGA Graphics, 100MHz Processor
Model 51	\$2699.95	16GB RAM, 11258999068426240MB Hard Drive, 3.5" Floppy Disk Drive, VGA Graphics, 100MHz Processor
Model 52	\$2749.95	32GB RAM, 22517998136852480MB Hard Drive, 3.5" Floppy Disk Drive, VGA Graphics, 100MHz Processor
Model 53	\$2799.95	64GB RAM, 45035996273704960MB Hard Drive, 3.5" Floppy Disk Drive, VGA Graphics, 100MHz Processor
Model 54	\$2849.95	128GB RAM, 90071992547409920MB Hard Drive, 3.5" Floppy Disk Drive, VGA Graphics, 100MHz Processor
Model 55	\$2899.95	256GB RAM, 180143985094819840MB Hard Drive, 3

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0.08	0.08
0.07	0.07
0.06	0.06
0.05	0.05
0.04	0.04
0.03	0.03
0.02	0.02
0.01	0.01

State	Year	Rate
Alabama	1974	13.0
Alaska	1974	13.0
Arizona	1974	13.0
Arkansas	1974	13.0
California	1974	13.0
Colorado	1974	13.0
Connecticut	1974	13.0
Delaware	1974	13.0
District of Columbia	1974	13.0
Florida	1974	13.0
Georgia	1974	13.0
Hawaii	1974	13.0
Idaho	1974	13.0
Illinois	1974	13.0
Indiana	1974	13.0
Iowa	1974	13.0
Kansas	1974	13.0
Kentucky	1974	13.0
Louisiana	1974	13.0
Maine	1974	13.0
Maryland	1974	13.0
Massachusetts	1974	13.0
Michigan	1974	13.0
Minnesota	1974	13.0
Mississippi	1974	13.0
Missouri	1974	13.0
Montana	1974	13.0
Nebraska	1974	13.0
Nevada	1974	13.0
New Hampshire	1974	13.0
New Jersey	1974	13.0
New Mexico	1974	13.0
New York	1974	13.0
North Carolina	1974	13.0
North Dakota	1974	13.0
Ohio	1974	13.0
Oklahoma	1974	13.0
Oregon	1974	13.0
Pennsylvania	1974	13.0
Rhode Island	1974	13.0
South Carolina	1974	13.0
South Dakota	1974	13.0
Tennessee	1974	13.0
Texas	1974	13.0
Utah	1974	13.0
Vermont	1974	13.0
Virginia	1974	13.0
Washington	1974	13.0
West Virginia	1974	13.0
Wisconsin	1974	13.0
Wyoming	1974	13.0

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ENGINEERING, VEHICLES			+ or -
	Makes	Price	
Advent	2-4-4	1,650	—
All-Row Street	—	1,200	—
Automotive Price	—	50	—
Axon Rubber	3-6	140	+10
Brite Int	2-4	170	-2-2
Broomer	—	178	—
First Technology	3-4	375-380	—
GRN	—	561-52	-15
Harley	3-6	2,211-4	-15
Harley Motor JPY	—	225	-15
Laid	—	250	-15
Lucas/Valley	2-4-4	142	—
Mayflower	—	101-5	—
Silver Shield	—	22	—
Sofarm	3-4	23	—
Ton	—	23	—
Verano	—	245-3	—
Verano DM	—	216-1	—
Vetro B SW	—	44	—
Witcher	—	—	—

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FOOD PRODUCERS		
	Males	Females
Acosta & Hatch	2	1
Albert Fisher	2	1
Anglo-East	234	1
Americ Ball Foods	5	1
Amulco	2	1
Armstrong Walshurst	2	142
Banks (SC)	21	217
Barr (AG)	2	1
Barnardo (Congo)	2	1
Bertram	2	92
Bishop	2	1
Boly Watson	2	27
Brown Bros	2	7
CFL America	2	90
Cochran Shampers	2	1
Cody Shampers	2	1

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	Notes	Price
Bio	+	3601
Chemicals		1185
Intermetal Energy	+	1485

HEALTH CARE

	Notes	Price
Advanced Medical		30
Alliance UniChem	+	4894
Amcor Nursing		148
Baxter Int S	-	8275
Beigek		6285
Biocomposites Int'l	+	77

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	Notes	Price
Bioscience Ind.	A	59 1/2
Care UK		200 1/2
Celco Int.		16
Community Hapt		28 1/2
Concord Corp.		47 1/2
Orion Scientific		78 1/2
Endomed		8
Excite Products		14 1/2
Forma		10 1/2
GenCorp		178 1/2
Hidden Hearing Int.		195 1/2
Hunting Tech		285
Intecore	Ta	74
Isotec		870 1/2
London Ind.	CM	170 1/2
Necker Healthcare		465
Applied Acoustics	385	
Polaronics AG		97 1/2
Regent		100
Reich Schell		450
Shield Diagnostics		670
Sensar Medical		150 1/2
Smith & Neph		125
Targora		375 1/2
United Life Sciences		400 1/2
United Drug E		400 1/2
Westlake House		285 1/2

Player	Pos	Team	Year	Height	Weight	Age	Experience	College	Pro Team	Pro Years	Pro Stats
Alvin Harrison	DE	Indianapolis Colts	1997	6'2"	245	27	1	Florida State	Indianapolis Colts	1	10.0 sacks, 10.0 TFL, 10.0 INT, 10.0 FUM, 10.0 PUNT, 10.0 YDS, 10.0 TD, 10.0 FGM, 10.0 PAT, 10.0 FG, 10.0 P, 10.0 A, 10.0 S, 10.0 M, 10.0 D, 10.0 O, 10.0 K, 10.0 L, 10.0 R, 10.0 B, 10.0 C, 10.0 E, 10.0 F, 10.0 G, 10.0 H, 10.0 I, 10.0 J, 10.0 K, 10.0 L, 10.0 M, 10.0 N, 10.0 O, 10.0 P, 10.0 Q, 10.0 R, 10.0 S, 10.0 T, 10.0 U, 10.0 V, 10.0 W, 10.0 X, 10.0 Y, 10.0 Z, 10.0 AA, 10.0 AB, 10.0 AC, 10.0 AD, 10.0 AE, 10.0 AF, 10.0 AG, 10.0 AH, 10.0 AI, 10.0 AJ, 10.0 AK, 10.0 AL, 10.0 AM, 10.0 AN, 10.0 AO, 10.0 AP, 10.0 AQ, 10.0 AR, 10.0 AS, 10.0 AT, 10.0 AU, 10.0 AV, 10.0 AW, 10.0 AX, 10.0 AY, 10.0 AZ, 10.0 BA, 10.0 BB, 10.0 BC, 10.0 BD, 10.0 BE, 10.0 BF, 10.0 BG, 10.0 BH, 10.0 BI, 10.0 BJ, 10.0 BK, 10.0 BL, 10.0 BM, 10.0 BN, 10.0 BO, 10.0 BP, 10.0 BQ, 10.0 BR, 10.0 BS, 10.0 BT, 10.0 BU, 10.0 BV, 10.0 BW, 10.0 BX, 10.0 BY, 10.0 BZ, 10.0 CA, 10.0 CB, 10.0 CC, 10.0 CD, 10.0 CE, 10.0 CF, 10.0 CG, 10.0 CH, 10.0 CI, 10.0 CJ, 10.0 CK, 10.0 CL, 10.0 CM, 10.0 CN, 10.0 CO, 10.0 CP, 10.0 CQ, 10.0 CR, 10.0 CS, 10.0 CT, 10.0 CU, 10.0 CV, 10.0 CW, 10.0 CX, 10.0 CY, 10.0 CZ, 10.0 DA, 10.0 DB, 10.0 DC, 10.0 DD, 10.0 DE, 10.0 DF, 10.0 DG, 10.0 DH, 10.0 DI, 10.0 DJ, 10.0 DK, 10.0 DL, 10.0 DM, 10.0 DN, 10.0 DO, 10.0 DP, 10.0 DQ, 10.0 DR, 10.0 DS, 10.0 DT, 10.0 DU, 10.0 DV, 10.0 DW, 10.0 DX, 10.0 DY, 10.0 DZ, 10.0 EA, 10.0 EB, 10.0 EC, 10.0 ED, 10.0 EE, 10.0 EF, 10.0 EG, 10.0 EH, 10.0 EI, 10.0 EJ, 10.0 EK, 10.0 EL, 10.0 EM, 10.0 EN, 10.0 EO, 10.0 EP, 10.0 EQ, 10.0 ER, 10.0 ES, 10.0 ET, 10.0 EU, 10.0 EV, 10.0 EW, 10.0 EX, 10.0 EY, 10.0 EZ, 10.0 FA, 10.0 FB, 10.0 FC, 10.0 FD, 10.0 FE, 10.0 FF, 10.0 FG, 10.0 FH, 10.0 FI, 10.0 FJ, 10.0 FK, 10.0 FL, 10.0 FM, 10.0 FN, 10.0 FO, 10.0 FP, 10.0 FQ, 10.0 FR, 10.0 FS, 10.0 FT, 10.0 FU, 10.0 FV, 10.0 FW, 10.0 FX, 10.0 FY, 10.0 FZ, 10.0 GA, 10.0 GB, 10.0 GC, 10.0 GD, 10.0 GE, 10.0 GF, 10.0 GG, 10.0 GH, 10.0 GI, 10.0 GJ, 10.0 GK, 10.0 GL, 10.0 GM, 10.0 GN, 10.0 GO, 10.0 GP, 10.0 GQ, 10.0 GR, 10.0 GS, 10.0 GT, 10.0 GU, 10.0 GV, 10.0 GW, 10.0 GX, 10.0 GY, 10.0 GZ, 10.0 HA, 10.0 HB, 10.0 HC, 10.0 HD, 10.0 HE, 10.0 HF, 10.0 HG, 10.0 HH, 10.0 HI, 10.0 HJ, 10.0 HK, 10.0 HL, 10.0 HM, 10.0 HN, 10.0 HO, 10.0 HP, 10.0 HQ, 10.0 HR, 10.0 HS, 10.0 HT, 10.0 HU, 10.0 HV, 10.0 HW, 10.0 HX, 10.0 HY, 10.0 HZ, 10.0 IA, 10.0 IB, 10.0 IC, 10.0 ID, 10.0 IE, 10.0 IF, 10.0 IG, 10.0 IH, 10.0 II, 10.0 IJ, 10.0 IK, 10.0 IL, 10.0 IM, 10.0 IN, 10.0 IO, 10.0 IP, 10.0 IQ, 10.0 IR, 10.0 IS, 10.0 IT, 10.0 IU, 10.0 IV, 10.0 IW, 10.0 IX, 10.0 IY, 10.0 IZ, 10.0 JA, 10.0 JB, 10.0 JC, 10.0 JD, 10.0 JE, 10.0 JF, 10.0 JG, 10.0 JH, 10.0 JI, 10.0 JJ, 10.0 JK, 10.0 JL, 10.0 JM, 10.0 JN, 10.0 JO, 10.0 JP, 10.0 JQ, 10.0 JR, 10.0 JS, 10.0 JT, 10.0 JU, 10.0 JV, 10.0 JW, 10.0 JX, 10.0 JY, 10.0 JZ, 10.0 KA, 10.0 KB, 10.0 KC, 10.0 KD, 10.0 KE, 10.0 KF, 10.0 KG, 10.0 KH, 10.0 KI, 10.0 KJ, 10.0 KL, 10.0 KM, 10.0 KN, 10.0 KO, 10.0 KP, 10.0 KQ, 10.0 KR, 10.0 KS, 10.0 KT, 10.0 KU, 10.0 KV, 10.0 KW, 10.0 KX, 10.0 KY, 10.0 KZ, 10.0 LA, 10.0 LB, 10.0 LC, 10.0 LD, 10.0 LE, 10.0 LF, 10.0 LG, 10.0 LH, 10.0 LI, 10.0 LJ, 10.0 LK, 10.0 LL, 10.0 LM, 10.0 LN, 10.0 LO, 10.0 LP, 10.0 LQ, 10.0 LR, 10.0 LS, 10.0 LT, 10.0 LU, 10.0 LV, 10.0 LW, 10.0 LX, 10.0 LY, 10.0 LZ, 10.0 MA, 10.0 MB, 10.0 MC, 10.0 MD, 10.0 ME, 10.0 MF, 10.0 MG, 10.0 MH, 10.0 MI, 10.0 MJ, 10.0 MK, 10.0 ML, 10.0 MM, 10.0 MN, 10.0 MO, 10.0 MP, 10.0 MQ, 10.0 MR, 10.0 MS, 10.0 MT, 10.0 MU, 10.0 MV, 10.0 MW, 10.0 MX, 10.0 MY, 10.0 MZ, 10.0 NA, 10.0 NB, 10.0 NC, 10.0 ND, 10.0 NE, 10.0 NF, 10.0 NG, 10.0 NH, 10.0 NI, 10.0 NJ, 10.0 NK, 10.0 NL, 10.0 NM, 10.0 NN, 10.0 NO, 10.0 NP, 10.0 NQ, 10.0 NR, 10.0 NS, 10.0 NT, 10.0 NU, 10.0 NV, 10.0 NW, 10.0 NX, 10.0 NY, 10.0 NZ, 10.0 OA, 10.0 OB, 10.0 OC, 10.0 OD, 10.0 OE, 10.0 OF, 10.0 OG, 10.0 OH, 10.0 OI, 10.0 OJ, 10.0 OK, 10.0 OL, 10.0 OM, 10.0 ON, 10.0 OO, 10.0 OP, 10.0 OQ, 10.0 OR, 10.0 OS, 10.0 OT, 10.0 OU, 10.0 OV, 10.0 OW, 10.0 OX, 10.0 OY, 10.0 OZ, 10.0 PA, 10.0 PB, 10.0 PC, 10.0 PD, 10.0 PE, 10.0 PF, 10.0 PG, 10.0 PH, 10.0 PI, 10.0 PJ, 10.0 PK, 10.0 PL, 10.0 PM, 10.0 PN, 10.0 PO, 10.0 PP, 10.0 PQ, 10.0 PR, 10.0 PS, 10.0 PT, 10.0 PU, 10.0 PV, 10.0 PW, 10.0 PX, 10.0 PY, 10.0 PZ, 10.0 QA, 10.0 QB, 10.0 QC, 10.0 QD, 10.0 QE, 10.0 QF, 10.0 QG, 10.0 QH, 10.0 QI, 10.0 QJ, 10.0 QK, 10.0 QL, 10.0 QM, 10.0 QN, 10.0 QO, 10.0 QP, 10.0 QQ, 10.0 QR, 10.0 QS, 10.0 QT, 10.0 QU, 10.0 QV, 10.0 QW, 10.0 QX, 10.0 QY, 10.0 QZ, 10.0 RA, 10.0 RB, 10.0 RC, 10.0 RD, 10.0 RE, 10.0 RF, 10.0 RG, 10.0 RH, 10.0 RI, 10.0 RJ, 10.0 RK, 10.0 RL, 10.0 RM, 10.0 RN, 10.0 RO, 10.0 RP, 10.0 RQ, 10.0 RR, 10.0 RS, 10.0 RT, 10.0 RU, 10.0 RV, 10.0 RW, 10.0 RX, 10.0 RY, 10.0 RZ, 10.0 SA, 10.0 SB, 10.0 SC, 10.0 SD, 10.0 SE, 10.0 SF, 10.0 SG, 10.0 SH, 10.0 SI, 10.0 SJ, 10.0 SK, 10.0 SL, 10.0 SM, 10.0 SN, 10.0 SO, 10.0 SP, 10.0 SQ, 10.0 SR, 10.0 SS, 10.0 ST, 10.0 SU, 10.0 SV, 10.0 SW, 10.0 SX, 10.0 SY, 10.0 SZ, 10.0 TA, 10.0 TB, 10.0 TC, 10.0 TD, 10.0 TE, 10.0 TF, 10.0 TG, 10.0 TH, 10.0 TI, 10.0 TJ, 10.0 TK, 10.0

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	Notes	Price
Royal & Sun Alliance 100		47 1/2
20 Year Government TBS		83 1/2
Stamps 500		100
Small Borel J.	4 1/2	30
IBM		142 1/2
Warrant		40 1/2
Whitaker (underway)	25	200
Whitaker	25	12 1/2
Wheat	4 1/2	17 1/2

INVESTMENT TRUSTS

Name		2009
Support by the State		
1	1st Deputy Gov. J. B. Hunt	100%
2	2nd Deputy Gov. J. B. Hunt	100%
3	3rd Deputy Gov. J. B. Hunt	100%
4	4th Deputy Gov. J. B. Hunt	100%
5	5th Deputy Gov. J. B. Hunt	100%
6	6th Deputy Gov. J. B. Hunt	100%
7	7th Deputy Gov. J. B. Hunt	100%
8	8th Deputy Gov. J. B. Hunt	100%
9	9th Deputy Gov. J. B. Hunt	100%
10	10th Deputy Gov. J. B. Hunt	100%
11	11th Deputy Gov. J. B. Hunt	100%
12	12th Deputy Gov. J. B. Hunt	100%
13	13th Deputy Gov. J. B. Hunt	100%
14	14th Deputy Gov. J. B. Hunt	100%
15	15th Deputy Gov. J. B. Hunt	100%
16	16th Deputy Gov. J. B. Hunt	100%
17	17th Deputy Gov. J. B. Hunt	100%
18	18th Deputy Gov. J. B. Hunt	100%
19	19th Deputy Gov. J. B. Hunt	100%
20	20th Deputy Gov. J. B. Hunt	100%
21	21st Deputy Gov. J. B. Hunt	100%
22	22nd Deputy Gov. J. B. Hunt	100%
23	23rd Deputy Gov. J. B. Hunt	100%
24	24th Deputy Gov. J. B. Hunt	100%
25	25th Deputy Gov. J. B. Hunt	100%
26	26th Deputy Gov. J. B. Hunt	100%
27	27th Deputy Gov. J. B. Hunt	100%
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30	30th Deputy Gov. J. B. Hunt	100%
31	31st Deputy Gov. J. B. Hunt	100%
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81	81st Deputy Gov. J. B. Hunt	100%
82	82nd Deputy Gov. J. B. Hunt	100%
83	83rd Deputy Gov. J. B. Hunt	100%
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91	91st Deputy Gov. J. B. Hunt	100%
92	92nd Deputy Gov. J. B. Hunt	100%
93	93rd Deputy Gov. J. B. Hunt	100%
94	94th Deputy Gov. J. B. Hunt	100%
95	95th Deputy Gov. J. B. Hunt	100%
96	96th Deputy Gov. J. B. Hunt	100%
97	97th Deputy Gov. J. B. Hunt	100%
98	98th Deputy Gov. J. B. Hunt	100%
99	99th Deputy Gov. J. B. Hunt	100

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	Marques	38.34
	Marques & Son A.S.	38.34
PE	Marl Carlsberg	1
	Marl Carlsberg	1
0.6	Marl Carlsberg Japan	1
	Marl Carlsberg Japan	1
	Marl Carlsberg Japan	1
5.6	Marl Carlsberg Japan	1
	Marl Carlsberg Japan	1
	Marl Carlsberg Japan	1
	Marl Carlsberg Japan	1
12.9	Marl Carlsberg Japan	1
	Marl Carlsberg Japan	1
7.3	Marl Carlsberg Japan	1
26.3	Marl Carlsberg Japan	1
	Marl Carlsberg Japan	1
0.4	Marl Carlsberg Japan	1
	Marl Carlsberg Japan	1
21.0	Marl Carlsberg Japan	1
	Marl Carlsberg Japan	1
27.3	Marl Carlsberg Japan	1
22.3	Marl Carlsberg Japan	1
12.9	Marl Carlsberg Japan	1
6.2	Marl Carlsberg Japan	1
0.9	Marl Carlsberg Japan	1
5.6	Marl Carlsberg Japan	1
17.1	Marl Carlsberg Japan	1
	Marl Carlsberg Japan	1
10.6	Marl Carlsberg Japan	1
6.3	Marl Carlsberg Japan	1

	Notes	Price
Midwest Sulfur Co. S	1230	
New Zealand	1040 1/2	
Newmarket V	2 1/2	
Nth Atlantic Sulf Co S	322 1/2	
Time Ltr. 2013	323 1/2	
Norman Inc	4 1/2	
Oil Midwest S	85 1/2	
Warrants	12 1/2	
Pacific Assets	98 1/2	
Gas & Warrants	2 1/2	
Pacific Norton	21 1/2	
Warrants	17 1/2	

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16	Architectural Inc.	1501	100%
17	Architectural Inc.	780	100%
18	Architectural Inc.	1200	100%
19	Architectural Inc.	1200	100%
20	Architectural Inc.	1200	100%
21	Architectural Inc.	1200	100%
22	Architectural Inc.	1200	100%
23	Architectural Inc.	1200	100%
24	Architectural Inc.	1200	100%
25	Architectural Inc.	1200	100%
26	Architectural Inc.	1200	100%
27	Architectural Inc.	1200	100%
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29	Architectural Inc.	1200	100%
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31	Architectural Inc.	1200	100%
32	Architectural Inc.	1200	100%
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37	Architectural Inc.	1200	100%
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39	Architectural Inc.	1200	100%
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46	Architectural Inc.	1200	100%
47	Architectural Inc.	1200	100%
48	Architectural Inc.	1200	100%
49	Architectural Inc.	1200	100%
50	Architectural Inc.	1200	100%

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COMPANIES & FINANCE

MEDIA FLEDGLING PAY-TELEVISION COMPANY LIKELY TO CONSIDER LONDON AND NASDAQ LISTING

On Digital ready to float in 18 months

By John Gapper, Media Editor

Carlton Communications and Granada Group, the ITV companies, may seek a flotation of On Digital, their fledgling pay television company, in about 18 months, in order to crystallise its value to their shareholders.

The companies are likely to discuss a flotation of 20-25 per cent of On Digital's equity later this year. Granada, which holds 50 per cent of it, is thought to favour an early flotation because of

uncertainty among investors and analysts over its value.

On Digital, which launched last November and is estimated to have 50,000 subscribers, has been valued at between £250m and £1bn by analysts.

Carlton and Granada have agreed to invest up to £275m over five years to establish On Digital as a rival to Sky Digital.

No adviser has yet been appointed to work on the flotation, although Morgan Stanley Dean Witter, the US

investment bank, examined the possibility last year before shareholders decided to concentrate on launching effectively.

The company's board is thought likely to consider a dual listing in London and on Nasdaq, the US exchange. Some directors believe it could attract interest from US investors seeking stakes in new media and digital broadcasting enterprises.

The pay television company, which carries about 30 pay channels and free digital

channels provided by broadcasters such as the BBC and ITV, has been held back by shortages of the set-top boxes needed to receive its broadcasts.

Analysts believe that British Sky Broadcasting has achieved higher sales than On Digital of its 140 channel Sky Digital service. The company, which reports half-year results next week, is expected to say that it gained about 250,000 digital subscribers in the three months to December.

However, the contest between the services is closer than these figures suggest because most subscribers to Sky Digital are thought to have converted from its analogue service. Analysts suggest that about 80,000 of the Sky Digital subscribers are new to pay television.

Shares in Carlton and Granada have risen this year partly because of the launch on time of On Digital and growth in ITV advertising revenues.

ITV's efforts to reverse its decline in peak-time ratings have fed through into stronger revenues over the past six months.

ITV advertising revenues rose by 4.8 per cent in the year to December.

Granada estimates that January advertising revenues across the network were 11 per cent up compared with the same month last year.

Granada owns four ITV franchises, including London Weekend Television.

Electra Trust investigates other options

By Katherine Campbell, Growing Business Correspondent

Michael Stoddart, chairman of Electra Investment Trust, the venture capitalist which rival St wants to buy, is understood to have promised shareholders an alternative proposal "as quickly as practicable".

The Electra board is said to be considering "various alternative options", but a management buy-out by Electra Fleming, the trust's investment manager, appears to have been rejected.

"There are more elegant solutions that would achieve better value for shareholders," said a person familiar with Electra.

Executives close to Electra declined to elaborate. Analysis speculated that Electra could form a "realisation company" which would dispose of assets and return cash to shareholders over a period of years.

Electra talked to its main shareholders this week, seeking their support. Next week St is likely to sound out shareholders itself, starting with those common to both trusts - notably Prudential Portfolio Managers and Legal & General.

Electra, which may view its annual meeting on February 17 as some form of deadline, has rejected indicative offers

from St. The latter tabled two figures, one for EIT with Electra Fleming, the management company, and a subsequent number for EIT alone after it became unclear whether it could secure Electra Fleming executives.

One figure - thought to include Electra Fleming - was about 700p, valuing the trust at some £1.2bn. Analysts put current net asset value of the trust at between 720p and 730p.

Electra Fleming, which has been updating EIT's NAV, is likely to put a figure before the Takeover Panel early next week. The last published figure was 676p at the end of last September. Since then, a handful of stocks in EIT's listed portfolio have performed strongly.

The NAV calculation has taken longer than expected because of regulatory complications.

While Electra will not release it to St without a signed confidentiality agreement, it says the number would serve as a benchmark for any other proposal.

The Electra side has gone no further than talking of "all sorts of expressions of support".

GE Capital, financial services subsidiary of US group General Electric, has been mentioned by industry sources as one possible suitor.



David Michalek: likely to emerge with a top job

Brandon Cox

Ladbroke breaks cover with £1.1bn Stakis bid

By Elizabeth Robinson

Ladbroke, the hotels and gaming company, yesterday confirmed that it was in talks to buy Stakis, the hotels and casino group, for about £1.1bn. The announcement followed Stakis's statement on Thursday that it had received a bid approach worth about 140p a share.

Stakis shares rose further yesterday, closing 4p higher at 141p, a rise of 38 per cent since the start of the week. Analysts said an offer of about 140p was fair, but suggested that the price might attract others to enter the bidding.

Ladbroke shares closed down 7p at 231p. Talks are understood to be at an advanced stage and

could be concluded by the middle of next week.

David Michalek, Stakis chief executive, is likely to emerge with a top job at the combined group. He ran Hilton UK until he left in 1991 to turn Stakis round from near bankruptcy. However, industry observers said they would expect him to attain the best price for shareholders, which could drive Ladbroke's offer higher.

Another issue is branding. Stakis is a well recognised name in its home base of Scotland, where it has 15 hotels, but is less well known in England. If it is absorbed into Ladbroke, Stakis hotels are expected to be rebranded as Hilton.

Ladbroke owns the Hilton brand outside the US and

operates 24 mid-market Hilton National hotels in the UK as well as 10 five-star hotels and four associated hotels. It also has five London casinos.

Stakis operates 54 hotels in the UK as well as 22 regional casinos. It also has 67 Living Well fitness centres, some of which operate in Hilton hotels.

Analysts suggested other groups might enter the bidding. Accor of France already has 36 mainly mid-market hotels in the UK and is expanding rapidly. The company refused to comment yesterday. Whitbread, the UK brewer, said that its Marriott hotel brand it was still in "a strong competitive position" should Ladbroke's bid succeed.

SB tipped to take loss on pharmacy disposal

By David Pilling, Pharmaceuticals Correspondent

SmithKline Beecham is expected to sell Diversified Pharmaceutical Services, its pharmacy benefit business, to a US buyer for \$750m-£650m (\$460m-£200m), far less than the \$1bn the Anglo-American drugs group had wanted.

Although the price is only about a third of the \$2.3bn SB paid for DPS in 1994, and below what some analysts had been expecting, the decision is likely to be welcomed. "I don't think it's too embarrassing," said Stephen Ewing, pharmaceutical analyst at WestLB Panmure, the brokers.

Ell Lilly, the US drugs group, sold PCS, another pharmacy benefit manager, for \$1.5bn last year, less than

40 per cent of what it had paid, and so setting the precedent for leaving the sector. Several drugs companies bought pharmacy benefit managers in the mid-1990s in an attempt to influence drug purchasing decisions by US insurers, but the strategy did not work.

Analysts said the cash from DPS would allow SB to spend more on research and development. However, some considered that the company, which is devoting much of its resources to Avandia, a promising diabetes drug expected to be approved this year, could be neglecting other projects.

"This move makes sense. They need the money because they are strapped for R&D funding," said one. The cash would allow SB to step up its licensing of other

companies' products and technologies, and to develop more in-house projects.

Avandia is likely to be a successful product, but its prospects could be damaged by Eli Lilly's Actos, a similar drug that is only a few months behind. "They've been putting all their eggs in the Avandia basket," said one analyst.

Selling DPS, which could be followed by the disposal of Clinical Laboratories, a blood and urine testing unit, could redress the balance.

"They are shaping themselves up for concentration on prescription drugs," said Mr Ewing. That could make them "leaner and meaner", which would bolster their stated aim of staying independent or make them a more attractive merger partner, he said.

Sales growth continues to slow at J Sainsbury

By Peggy Hollinger

J Sainsbury, the UK's second-largest supermarket group, yesterday admitted its high profile campaign to boost flagging sales had failed.

The group, which last year appointed a new management team, produced a disappointing trading statement showing growth substantially lagging the industry. It has called in consultants in a bid to make sure the right products are on the shelf at the right time.

Dino Adriano, chief executive, reported group sales

growth of 3.6 per cent, or 1.5 per cent excluding new stores, for the 19 weeks to January 30. But the core supermarket chain achieved a like-for-like increase of just 1.2 per cent. Excluding price increases, like-for-like supermarket sales fell 0.3 per cent, in a market estimated to have grown almost 2 per cent by volume.

Analysts were critical of the performance, suggesting Sainsbury - once the market leader - was likely to show the weakest Christmas sales record of the big four. They criticised the management, which five months ago launched the Value to Shout

About marketing campaign aimed at persuading customers that it was not more expensive than its rivals. The campaign had been expensive and misdirected, they suggested, and had only resulted in shoppers picking lower-margin promotional products. "The core UK business, the one that counts, is clearly struggling," said one.

Forecasts for this year were cut back from £570m to about £750m (£728m). The shares fell to a 12-month low of 385p, down 38p.

Share's, the US supermarket chain, turned in like-for-like sales up 3.7 per cent.

Newsquest in talks on P&S titles

By Charles Pretzlik

Newsquest, the regional newspaper publisher, yesterday said it was in preliminary talks with Portsmouth & Sunderland Newspapers, about buying its rival's newspaper assets. It said any acquisition would be on a "friendly and agreed basis".

Newsquest, which is thought to have approached P&S about two weeks ago, faces tough competition. Johnston Press, a rival regional newspaper group with a 14.9 per cent stake in P&S, has already declared its interest in bidding for the whole group. P&S has also received an approach from Charles Villiers, formerly head of Score, the newspaper division of Scottish Radio.

Shares in P&S, whose titles include the Portsmouth News and Sunderland Echo, rose 35p to £17.25p, valuing the group at £207m. Newsquest is not thought to be interested in buying

P&S's chain of more than 200 local convenience stores, which analysts have estimated could be worth about £50m. It is unclear whether Newsquest would bid for the whole group and sell on the shops, or would bid only for the newspaper assets.

A deal between Newsquest and P&S would require clearance under media ownership rules. Newsquest said it had submitted an application to the Department of Trade and Industry for a reference to the Monopolies and Mergers Commission.

The DTI said yesterday it had referred Johnston's takeover plans to the Monopolies Commission. Newsquest made its submission "in order that its interest is considered alongside that of other bidders".

Yesterday's announcement comes a week after the failure of a tender offer from Johnston for another 10 per cent of the shares at £16 each.

Weir rebuffs Flowserve approach

By Michael Peel

Weir Group, the Glasgow-based engineer, yesterday rebuffed a \$600m (£390m) takeover approach from Flowserve of the US.

Flowserve, which makes pumps, valves and seals, said it was disappointed with the decision and would be reviewing its position. Analysts said Weir shares, which closed down 26p at 281p, remained attractive to a potential bidder.

Weir, which makes pumps, valves and metal handling systems, said this week that

it received an unsolicited approach from an unnamed company. The Scottish group yesterday revealed the potential bidder as Flowserve and said that the indicative offer of 300p a share reflected "by a wide margin" to the value of the group.

Sir Ron Garrick, chief executive and chairman of Weir, said the group wished to remain independent. "We have got the capability to develop existing resources," he said. "We are not trying to put the group on the block."

He said Flowserve, which has a market capitalisation of about \$650m, was far from the ideal partner for a diversified group like Weir. The US company relied heavily on the petroleum and chemical industries, which had been hit by low commodity prices.

Analysts think Weir has become vulnerable to a bid partly because it has failed to make a big acquisition in the past four years. The group is believed to have the capacity to spend about £200m on takeovers.

Sir Ron said Weir had

avoided takeovers in recent times because it saw potential targets as overpriced. It was now looking for acquisition opportunities.

It is thought Temsa-based Flowserve, which had net debt of about \$180m at September 30 last year, believes it has the financial capacity to make an offer pitched higher than 300p.

The indicative offer is understood to have implied interest cover of at least three times.

Analysts estimate fair value for Weir at between 350p and 400p a share.

RESULTS

	Turnover (£m)	Pre-tax profit (£m)	EPS (p)	Current dividend (p)	Date of payment	Dividends corresponding dividend	Total for year	Total last year
Cello	6 mths to Dec 31	19.3 (15.5)	2.03 (1.74)	6.07 (5.26)	-	-	-	-
Quam	Yr to September 30	7.86 (7.1)	0.47 (0.37)	0.58 (0.38)	-	-	-	-
ICoast	Yr to Dec 31	62.2 (44.2)	8.11 (4.11)	52.1 (36.7)	-	-	-	-
Newsline Brewery	Yr to Oct 31	9.85 (8.63)	2.18p (1.87p)	24.9 (19)	5	Apr 7	4.5	8.5
Mountcristal	Yr to Dec 31	1.12 (0.239)	1.19p (1.01p)	15.67 (13.37)	-	-	-	-
Investment Trusts								
Friends Prov Ethic	Yr to Dec 31	49.03 (67.48)	1.36 (1.53)	8.12 (9.13)	4.25p	-	4.25	7.8

Earnings shown basic. Dividends shown net. Figures in brackets are for corresponding period. *After exceptional charge. *After exceptional credit. †On increased capital. ‡New stock. §Consists of second interim of 2.5p (nil), payable on Mar 31, and final of 0.75p, payable on Apr 30.

Investment trust sector suffers fall in funds

By Jean Eaglesham

The asset base of the embattled investment trust sector shrank by £1.2bn (\$1.96bn) to £61bn last year, according to figures compiled by broker BT Alex Brown. The fall was the biggest net loss of funds for more than a decade.

BT Alex Brown forecast that "at least as much again, if not more" would vanish this year, as disaffected shareholders demanded cash back from underperforming trusts. But the broker said the exodus of money was "not a disaster... the sector will survive".

The BT Alex Brown figures follow estimates last week from broker HSBC Securities that there could be "up to £13bn of pent up selling pressure," primarily from institutional investors, such as pension funds.

The sector's problems have their roots in its boom years of the mid-1990s when over £60m was raised, according to analysts. The resulting over-supply of shares left trusts trading on wide discounts to the value of their underlying net assets. This is turn hit share price performance - over the past five years, the sector has underperformed the FTSE All-Share index by 25 per cent.

Pressure from disaffected shareholders acting in concert with predators such as arbitrageurs has forced a number of weak trusts to the wall. More than £2bn of money that left the sector last year came from investment trusts that converted, wholly or partly, to unit trusts.

The outflow of money, widely forecast to continue this year, will be accelerated by the abolition of advance corporation tax in April, allowing trusts to buy back shares without incurring a big liability.

A third of trusts have already sought shareholders' permission to do this, according to HSBC Securities. As a result, "1999 will be one of the most momentous years in the investment trust industry's 130 year history", it said.

BT Alex Brown was dubious that this mass repurchase of shares would be the sector's saviour. The key factor was "turning round investment performance," it said.

The decline in the fortunes of investment trusts is in sharp contrast to the continued success of their closest competitor. Unit trusts raised a net £12.3bn last year, taking their total assets to £183bn.

Burmah Castrol in US lubricant purchases

Burmah Castrol yesterday expanded its industrial business, which manages the lubricant needs of industrial customers, with the acquisition of two US companies for £16m, writes Thorold Barker.

Castrol Industrial, a fully-owned subsidiary, bought Lubcon Systems, making it the leading supplier of performance lubricants and as-

sociated services in the US. Lubcon, of Michigan, has a turnover of about £10m.

It also bought Applied Chemicals International's performance lubricants business, which markets and distributes products for Tribol Lubricants, a Castrol industrial subsidiary. The business has turnover of about \$5.5m.

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COMPANIES & FINANCE

MEDIA SEPARATE STOCK COULD EASE PATH TO FURTHER ON-LINE ACQUISITIONS

NBC and CBS eye internet listings

By Richard Waters in New York

NBC and CBS, the US television networks, are each considering a separate stock market listing for all their internet interests, to provide them with currency for further investments in the on-line world.

Separately, it emerged that NBC is in discussions over taking a stake in Lycos, the internet portal company, in a deal that would cost it more than \$1bn.

According to one person with knowledge of the com-

panies, however, this is only one of a number of discussions under way and may not lead to a deal.

Lycos indicated last month it was interested in selling up to a 20 per cent stake to a media or telecommunication company - an investment that would currently cost about \$1.1bn.

A Lycos investment would add to what already amounts to the broadest array of internet interests yet assembled by a traditional US media company. NBC already owns a range of

internet sites, including stakes in CNET, an internet publishing company, and Snap, another portal.

NBC's moves echo efforts under way at other US media and entertainment companies, which are scrambling to establish a position in the fast-consolidating internet media world.

Mel Karmazin, chairman of the rival TV network CBS, told analysts on Thursday his company was also considering putting its internet holdings into a separate company, then using that

unit to make internet acquisitions.

Ziff-Davis, the US technology publishing group that is 72 per cent owned by Softbank of Japan, is also preparing the spin-off of its internet interests, with a stock market listing planned for late next month.

"One of the benefits of having its own stock will be that [the new company] can make acquisitions," Tim O'Brien, chief financial officer of Ziff-Davis, said yesterday.

The soaring value of inter-

net companies over the past two months has made it prohibitively expensive for traditional media companies to make acquisitions.

By contrast, At Home, a provider of high-speed internet access, is using \$6.7bn of its pumped-up stock to buy Excite, one of the biggest internet portals.

Creating their own majority-owned internet subsidiaries could give companies like NBC and CBS access to the same elevated stock market ratings, enabling them to make similar acquisitions.

Liberty Life set for talks on merger

By Victor Mallet in Cape Town

Donald Gordon, founder and chairman of South Africa's Liberty Life, will retire this year after more than four decades at the helm. This opens the way for another attempt at a merger between the life assurance group and Standard Bank Investment Corp (Stanbic), one of the country's big four banks.

The proposed formation of a bancassurance group fell through last year because Mr Gordon thought Liberty Life was being undervalued in the planned deal.

Liberty Life executives say they believe the merger still makes sense and expect new discussions to begin shortly.

Mr Gordon, 68, is to continue as chairman of Liberty International Holdings and of Capital Shopping Centres, both listed in London.

At Liberty Life group, he will be granted the unusual title "honorary president for life", but the role is expected to be purely ceremonial.

Roy Andersen, chief executive, described Mr Gordon as "a legend in South African business". Speaking from London, Mr Gordon said: "I've had 42 years as chairman of the company. I think that's enough."

Shares in both Liberty Life and Stanbic rose sharply yesterday on speculation that a merger would now go ahead.

Liberty Life Association of Africa rose 17 per cent, to R14.70, to close at R100. Stanbic shares were up 7 per cent, to R13.75.

In the formal announcement of Mr Gordon's retirement, Liberty Life said "negotiations are taking place" regarding the future of Johannesburg-listed Liberty Investors (Libvest).

Libvest owns half of Liberty Controlling, ultimate holding company of the group. The other half of Liberty Controlling is owned by Stanbic.

NEWS DIGEST

NETWORKING EQUIPMENT

Newbridge shares fall on earnings warning

Shares in Newbridge Networks, the Canadian networking equipment manufacturer, were down 13 per cent in early trading yesterday after the company said third-quarter earnings would not meet expectations. Newbridge said late on Thursday that earnings for the quarter ended January 31 would be about 17-18 US cents a share, excluding exceptional items. That is about 5 cents lower than analysts' expectations.

The company blamed soft sales of its mature products in Asia and Latin America. Orders for Newbridge's new-generation asynchronous transfer mode switching technology were up 45 per cent from the previous quarter, but the company was unable to capitalise fully on the high demand due to a parts shortfall. Newbridge said it expected to report quarterly revenues of C\$450m (US\$301m), lower than analysts' forecasts of C\$470m.

The warning prompted a sharp reaction among analysts and investors, who have been disappointed by the company in the past. A new management team appointed last year implemented a restructuring plan and had given the impression that the company's difficulties were being overcome.

But analysts were concerned that the company has not moved more quickly to launch its new-generation technology, in order to offset a decline in sales of its older products. By midday in Toronto Newbridge shares were down C\$6.20 at C\$42.50. Scott Morrison, Toronto

CHILE

Endesa to go ahead with bid

Endesa, the Spanish utilities group, will push ahead with its \$1.45bn bid to gain control of Enersis, in spite of the Chilean electricity distributor's decision late on Thursday to sell its 25 per cent holding in the country's largest power generator. About 54 per cent of shareholders voted with the board's recommendation to let Enersis' stake in Endesa Chile - which has no legal relationship with the Spanish company - after a campaign by Endesa Spain, which holds 32 per cent of Enersis, to stop the sale.

Alfredo Llorente, chief executive of Endesa Spain's international operations, said that if the company won its battle to take control of Enersis it would seek to revoke Thursday's decision.

Enersis shareholders will meet again on February 24 to vote on reforms to the company's statutes, which at the moment restrict any one investor from holding more than 32 per cent of the capital. Endesa Spain wants the ceiling to be lifted to 65 per cent to allow it to take control through its 320-peso-a-share public offer to Enersis shareholders.

Chile's powerful pension fund administrators, or AFPs, which together account for about 30 per cent of Enersis's capital, voted largely in favour of the Endesa Chile sale, and are expected to be the key to the vote on February 24. Mark Mulligan, Santiago

Comments and press releases about international companies coverage can be sent by e-mail to international.companies@ft.com.

Seagram may merge PFE

By Alice Rawthorn

Seagram, the Canadian entertainment group, is reconsidering proposals to merge parts of PolyGram Filmed Entertainment into Universal Pictures after the collapse of talks to sell it to Prince Muhammad Bin Bandar Abdul Aziz.

The prince, a member of the Saudi royal family, paid \$50m into an escrow account last month as a deposit on a \$500m deal to buy PFE, which has backed such hits as *Four Weddings and A Funeral* and *Elizabethtown*.

Seagram, which bought PFE last year in its \$1.1bn bid for the PolyGram group, had hoped to close the deal by early next week, but Prince Muhammad proved unable to secure the necessary capital.

On Thursday evening, the prince's lawyers asked Seagram for more time to complete the financing. Seagram refused, having been sceptical about his ability to fund the acquisition since he first expressed interest in PFE last summer.

Unless Prince Muhammad secures the necessary capital, or an 11th-hour bidder emerges - Canal Plus, the French media group, has

been trying unsuccessfully for months to finance a bid - Seagram will have to decide whether to close down PFE's remaining assets, or to fold them into its Universal subsidiary.

Universal management is pressing Edgar Bronfman Jr, Seagram president, to allow it to keep PFE's non-US film distribution network, and some production interests. They presented proposals for a merger, together with Stewart Tili, head of PFE International, to Mr Bronfman in Los Angeles last week.

Separately, Universal has held long-running talks with Eric Fellner and Tim Bevan, co-chairmen of Working Title, the successful PFE-owned production company behind *Fargo*, *Bean*, and *Four Weddings*. Their contracts expire shortly, and both men have been hotly pursued by rival studios.

After abandoning talks with Prince Muhammad, Seagram dusted off the merger plan. If the merger goes ahead, the Canadian group will probably have to close PFE's US distribution interests and some of its production companies there. It has already sold PFE's film libraries for a total of \$400m.



Saab Automobile, the Swedish car company managed and 50 per cent owned by General Motors of the US, has reported its first six-month profit for five years, writes Tim Burt in Stockholm. The company, which has suffered accumulated losses of more than SKr12bn (\$1.52bn) since GM took its stake in 1986, reported a profit of SKr361m in the second half of last year. Second-half profits helped Saab to sharply reduce its full-year losses. Pre-tax losses fell from SKr1.91bn to SKr620m for 1998 on sales up from SKr22.4bn to SKr28.4bn. Pictured is the planned Saab 9-5, with designer Simon Padan

Metsä-Serla profit surges

By Tim Burt in Stockholm

Metsä-Serla, the Finnish pulp and paper group, saw pre-tax profits jump by 80 per cent last year amid buoyant demand and rising prices for its fine paper products.

The company, one of Europe's leading producers of magazine grade paper, packaging and tissues, reported profits up from FM1.01bn to FM1.82bn (€306m, \$345m) in 1998, on turnover ahead from

FM1.92bn to FM2.1bn.

Officials said the improvement had been fuelled mainly by the paper division, where operating profits rose fourfold from FM292m to FM1.07bn.

Group operating profits - up from FM2.02bn to FM2.3bn - were also helped by maiden full-year output from a new FM2.5bn fine paper machine and improved gains at its Iberian subsidiary in Switzerland. That offset the adverse

impact of lower pulp prices in the fourth quarter, when underlying profits fell sharply to FM277 from FM545m in the previous three months.

In the final quarter of 1998, Metsä-Serla's results were also hampered by volatile demand in south-east Asia and Russia.

Earnings per share rose from FM4.30 to FM7.57. Metsä-Serla's B shares rose yesterday €0.21 to €6.45 in Helsinki.

FT/STP ACTUARIES WORLD INDICES

The FT/STP Actuaries World Indices are owned by FTSE International Limited, London, and Standard & Poor's, New York. The indices are compiled by FTSE International and Standard & Poor's in conjunction with the Faculty of Actuaries and the Institute of Actuaries.

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CONVERGENCE ASSET MANAGEMENT INVESTORS WANT MONEY BACK

US hedge fund under pressure over losses

By William Lewis in New York

Convergence Asset Management, the hedge fund run by former Salomon Brothers star trader Andrew Fisher, is under pressure from investors seeking to get their money back after suffering big losses in recent months.

One investor is seeking to place one of Convergence's so-called feeder funds into liquidation, a move that has led Mr Fisher to offer to make it easier for investors to get their money out.

Convergence is a bond arbitrage fund, with a similar investment style to that of Long-Term Capital Management, the much larger hedge fund saved from liquidation by a \$2.8bn bailout by financial institutions last year.

However, poor investment performance has seen Convergence's net asset value shrink from \$440m when it was launched earlier this year to approximately \$150m - a loss

of 66 per cent. The fund's leverage is said to be about 10 times its capital.

Mr Fisher established the fund after leaving Salomon Brothers, the investment bank now owned by Citigroup, in February 1997. It is said he was paid a bonus of more than \$25m in 1998 on the back of his success in trading mortgage-backed bonds.

"I wanted to go out on the top of my game, with high-fives and handshakes," Mr Fisher said at the time of his retirement. Yesterday he declined to comment.

Convergence said: "It is true that a small number of investors wish to exit the fund early and we are preparing a plan that will allow those that wish to exit an orderly method, while preserving the character of our strategy for those who remain."

People close to the fund hope that changing the rules to enable investors to take out 25 per cent of their investment

each quarter from June will see the liquidation proposal fall or be removed.

Current rules require investors to wait about 18 months before they can take out any of their investment in the fund.

One person close to the fund said Mr Fisher was hopeful of attracting additional capital through investment from an unnamed "strategic investor".

The Convergence master fund, known as the Convergence Portfolio Company, consists of about six so-called feeder funds.

In response to one investor's attempt to put one of the feeder funds, known as the Global Convergence Fund, into liquidation at a meeting in the Cayman Islands on March 3, Mr Fisher wrote to investors urging them to vote against the proposal.

People close to Convergence argue that even if the liquidation proposal succeeds it would not endanger the Convergence master fund.

Oracle's Japan arm soars 73% on debut in Tokyo

By Alexandre Nussbaum in Tokyo

Japanese investors succumbed to high-tech fever yesterday as shares in Oracle Japan, a unit of the US software company, jumped nearly 73 per cent on their debut on the Tokyo over-the-counter market.

The shares, which had been priced at ¥7,000, surged to ¥12,100 in heavy volume. The offer was oversubscribed more than 100 times, according to Hirohiko Hoshi, a broker at Nikko Securities, which lead managed the deal.

At the opening price of ¥12,100, Oracle Japan will have a price to earnings ratio of 11.7 times, based on estimated earnings per share of ¥1,029 for the year to last May. This compares with a p/e of about 45 times for the US parent company, the world's second largest software company after Microsoft.

But some fear this sudden retail interest is creating a dangerous bubble. The surge in price means that Oracle Japan now represents approximately 10 per cent of the over-the-counter market, according to Tadashi Ohta, analyst at Jardine Fleming Securities.

If investors decide to lock in profits and shift out of the stock when regular trading starts on Monday "there will be a huge negative impact on the market", Mr Ohta said.

Nevertheless, even this may not deter investors. The few internet-related companies listed in Japan have performed well to date. And the meteoric success of US technology stocks combined with the strong performance of Japan's recent initial public offerings gave investors confidence, brokers said.

In the year to last May, Oracle Japan achieved sales of ¥46.6bn (\$416m), 73 per cent of which was accounted for by software and the remainder by consulting, according to Teruhiko Fukano, analyst at ING Barings. Operating profits were ¥10.6bn, recurring profits ¥11bn and net profits, ¥5.6bn.

The company forecasts sales will jump 13.7 per cent to ¥53bn and net profits will climb 30 per cent to ¥7.3bn for the year ending May 1999.

THE LEX COLUMN

Bernd out

German companies are rarely radical when it comes to removing underperforming managers. So the surprise ousting of both Bernd Fischer, BMW's boss, and Wolfgang Reitzle, his leading internal critic, suggests that the management had got very bad indeed. In that case, the faster the two men departed the better. But it leaves an unimpressed management facing questions over both the future of Rover and BMW's own independence.

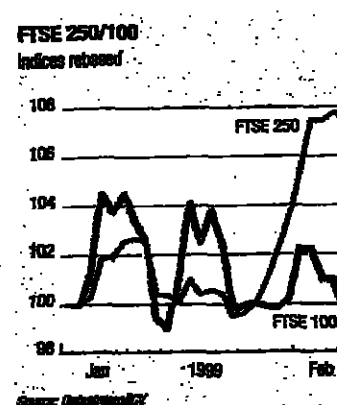
The betting must be that BMW will now take a firmer grip on its UK subsidiary. With hindsight, it is clear the Germans hugely underestimated the problems at Rover and managed it at arm's length for too long. But as Ford is proving with Jaguar, it is possible to maintain a distinctive brand while transforming efficiency and quality behind the scenes. That will require tough action, potentially leading to the closure of Rover's Longbridge plant. Given the ongoing losses of money and market share, the alternatives are bleak.

Meanwhile, BMW looks vulnerable to a takeover. Having leaptfrogged its rivals when it bought Rover in 1993, it has in turn been surpassed by DaimlerChrysler and Ford/Volvo. With acquisition prices rising, a sum-of-the-parts calculation suggests BMW could fetch £20bn-£21bn, nearly a fifth more than the current market value. Unless the new management can deliver a speedy turnaround at Rover, a juicy offer could tempt even the controlling Quandt family, which has so far jealously guarded BMW's independence.

J Sainsbury

J Sainsbury is like a person caught in quicksand. The more it struggles to break free, the faster it sinks. Five months ago, the UK supermarket chain launched a high profile price campaign to boost flagging sales and tackle its market-share grabbing rivals. The result has been a shambles: no uptick in sales - in fact a decline in real terms - and tumbling margins. Second half profits are likely to fall by more than 10 per cent year-on-year.

Some of the damage has been self-inflicted. The decision to scrap the group's non-grocery offer was badly timed. Non-grocery sales are the one bright spot in supermarket retailing at present, and Sainsbury's food focus has contributed to its underperformance. But the failure of



the price campaign shows how hard Sainsbury finds it to match rivals' value for money claims. Its image is still too associated with discretionary treats for the open-fisted foodie. This is not a recipe for success in these straitened times.

Although Sainsbury has shaken off its old complacency, the culture still seems wrong. The end of direct family leadership last year was a plus, but the group needs new blood. Getting an outside chief executive would help: Dino Adriano, though well-meaning, is too much of an insider. The group also needs to focus ruthlessly on its UK supermarkets. Selling the DIY superstores, hypermarkets and the US side could raise up to £30m. If Sainsbury really wanted a break with the past, it would use the cash to buy back the family's 38 per cent stake.

Ladbroke/Stakis

Ladbroke is flexing its corporate muscles - again. Can it actually go all the way this time, and clinch a takeover of Stakis, its latest quarry? Despite a dreadful end of year for Stakis shares, this company will be no pushover. Its management is widely admired. Its network of mainly regional four-star hotels has some of the best occupancy and yield rates in the sector, and they are in good nick.

A deal with Ladbroke, which owns the Hilton brand outside the US, would make some strategic sense. By slotting Stakis into the Hilton's UK marketing and reservation systems, costs could be taken out and revenues enhanced. Stakis's small health business also shows promise. But set against that is the timing of such a deal. Hotel investors are bracing themselves for a harder environment. Furthermore,

Ladbroke has, in the past, stressed the attractions of concentrating on management contracts rather than ploughing cash into capital-intensive hotels.

Ladbroke's move might be excusable if Stakis were a steal. And at 140p, or a forward price/earnings ratio of 15-16, that may seem so. But Stakis's earnings are at the moment distorted by an abnormally low tax rate. Adjusting for a more normal 25 per cent rate gives a p/e of around 18, compared with the 12-14 on which Stakis's peers are trading. If Ladbroke strays much above 140p, its return on investment risks slipping below 8 per cent. Ladbroke may yet fail to get the right deal at the right price. But that would be better than over-paying.

Mid-cap stocks

Something seems to be stirring in the undergrowth beneath the FTSE 100 index. The FTSE 250 - whose constituents are valued at £200m to £3.4bn - has outperformed in the past two weeks. Initial explanations of this reversal must remain cautious. The mid-cap had sunk so low - back to early 1998 levels - that a small bounce was definitely in order. Rock-bottom valuations were being highlighted by bids for the likes of Mirror Group, English China Clay and now Stakis and Weir. Such moves towards sector consolidation are bound to continue.

The other side of the coin is a pause in the FTSE 100's progress. The stretched nature of some valuations, notably in drugs and telecommunications, has been underlined by an uptick in 10-year bond yields. This has stopped the downward gallop of the discount rates being applied to profit streams that are forecast to swell for many years to come. But growth sectors still seem set to be favoured in a low-inflation environment.

A more positive view of the mid-250 is that interest rate cuts and a weaker pound are good news for its many cyclical members. Indeed the undoing of the spring 1998 mid-cap rally was that last increase in interest rates, in June. And the best run the index has had in recent years was triggered by the pound's diving out of the exchange rate mechanism in September 1992. While investors should beware of buying the mid-caps wholesale, stock pickers will still find several sound companies such as Glynwed and Laporte on p/e ratios below 12.

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Markets Latest

FTSE 100	5895.3	(-44.8)
Yield	2.75	
FTSE Europe 300	1204.42	(-4.22)
FTSE All-Share	2700.41	(-1.2%)
Nikkei	14,898.08	(-188.77)
New York S&P 500	9305.30	(-1.23%)
Dow Jones Ind	9305.30	(-1.23%)
S & P Composite	1238.19	
LONDON MONEY		
3-mo Interbank	9.3%	(5.3%)
Life long gilt (yld)	116.88	(116.88)
US LUNCHTIME RATES		
Federal Funds	4.875%	
3-m Treasury Yld	4.5%	
Long Bond	5.24%	
NORTH SEA OIL (Argus)		
Brent Dated	6	(10.45%)
Yield	112.88	(112.88)
GOLD		
New York Comex	320.2	(20.2)
London	320.2	(20.2)

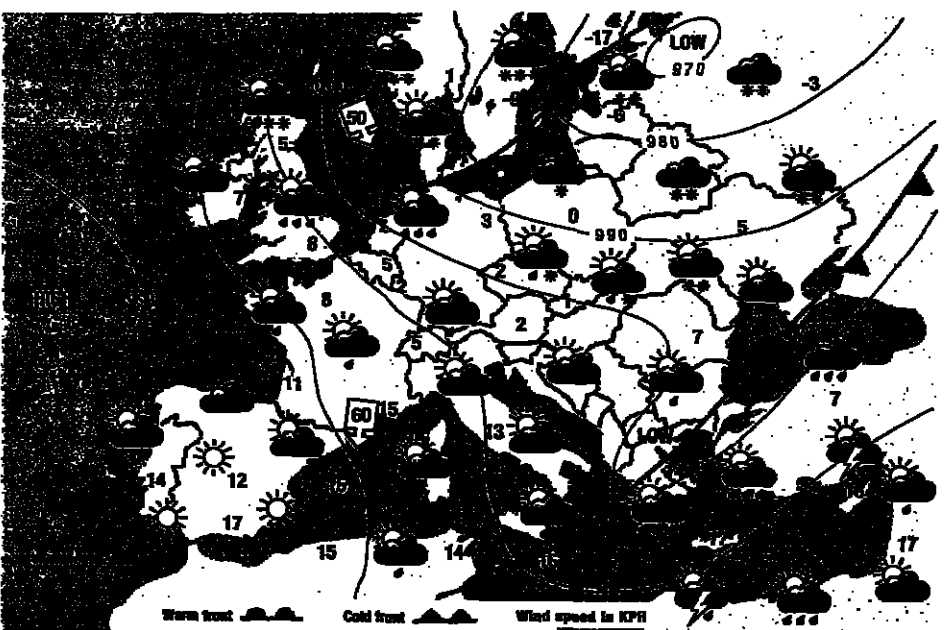
Weather

Europe today

Scandinavia, much of eastern Europe and the mountains of central and western Europe will be cold with snow showers. Central and western Europe will have sunny spells and showers, the heaviest of which will be in the north-west, where it will be cool and windy. The eastern Mediterranean will be cloudy with showers and some of these will be heavy and thundery. The western Mediterranean will be mainly dry with plenty of sunshine.

Five-day forecast

The colder spell will continue across western Europe with only a short, wet respite on Monday before it becomes even colder. For much of the time there will be sunny spells and scattered showers. Scandinavia and eastern Europe will have further snow. Central and eastern parts of the Mediterranean will have more showers.



Station at midday. Temperatures maximum for day. Forecasts by EA WEATHERCENTRE

TODAY'S TEMPERATURES	Barcelona	Berlin	Bombay	Buenos Aires	Cairo	Calcutta	Chennai	Colombo	Dakar	Dhaka	Dubai	Hong Kong	London	Los Angeles	Madrid	Mumbai	New York	Paris	Rangoon	Seoul	Singapore	Taipei	Tokyo	Winnipeg	Zurich
Max	22	15	32	28	28	32	32	32	28	28	28	28	12	18	18	32	18	18	18	18	18	18	18	18	18
Min	12	5	22	18	18	22	22	22	18	18	18	18	2	8	8	22	8	8	8	8	8	8	8	8	8

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PERSPECTIVES



Zoe and Steve Adams and Michael Gardener-Roberts, with Lesley, seated, bought a boatyard, and then set up an agency for the bookings

Minding Your Own Business

Sharp change of tack

Andrew Eames sees how two couples kept on an even keel after charting a new life

Ten years ago, Mike and Lesley Gardner-Roberts took a year off from their jobs in the City of London - he was a Lloyd's underwriter, she worked at Société Générale, the French bank - to travel through France on their narrowboat. They didn't come back.

Five years later, Mike's sister Zoe Adams, an insurance broker, and her research chemist husband Steve left their home in Kent to spend a long weekend with them in Burgundy. A couple of months afterwards, they too had been swallowed up by the French waterway system.

The two couples decided to change career tack in mid-stream and set up in business together.

It all began with a boatyard-for-sale advertisement which Steve spotted in *The Sunday Times*. He knew his brother-in-law and his wife had tired of their itinerant lives working on hotel barges, and were thinking of settling down. So he sent them the advertisement and, with Zoe, went with them to see the yard at Vermenton, on the river Cure south of Auxerre in northern Burgundy.

"I suppose we rather fell in love with the place," Steve recalls. "But we were not in the least bit considering giving up everything to run a boat-hire business in France." And yet, when Mike rang them two weeks later to say he could only afford to buy the yard if the Adamses came in too, they couldn't think of a good enough reason not to.

"We felt that if we didn't take the opportunity, we would spend the rest

of our lives wondering how it might have turned out," Steve explains.

Today, five children later remain equal partners in Burgundy Cruisers, and in the agency France Afloat.

Burgundy Cruisers, with its 15 craft, was purchased for £155,000, 25 per cent of which came from each couple, and 50 per cent from Zoe's and Mike's parents. In its most recent trading year turnover was £103,000 and net profit £9,500; not a fortune by any standards, but there was room for development, and the core business - mostly British holiday-makers - seemed secure.

The main priority was to replace the ageing fleet of cabin cruisers, and the two couples decided to carve a distinctive niche by creating their own wood-finished steel-hulled vessels. In the meantime, however, they made the best of what they had got, and did all the operational jobs themselves.

Then, nine months into their first year a letter arrived from their main UK agent, Hosesons. "Letters from Hosesons were usually a source of pleasure, cheques or bookings," says Steve. But this one said that Hosesons, which provided 65 per cent of their business, would no longer be representing small companies.

With hindsight, the boat-hire novices suspect the previous owner had had wind of the news. But now they were on their own, and the future was suddenly looking very insecure. But they all agreed there was no going back.

After investigating a switch to other UK agents or even to the French and German markets, they decided instead to jump into the

space being vacated by Hosesons - and to set up their own UK agency for independent boat-hire operations in France. They found 12 other hire companies ready to join them on a risk-free basis (no money up front) in return for a 20 per cent commission on all bookings.

Having secured enough partners, the two couples set a budget of £27,000 for brochures, advertising and office systems, and arranged

banks at that time, so Mike and Zoe's parents paid £30,000 for the first boat; the second was funded out of the first year's operations.

Capital for the third and fourth was partly raised through "sponsorship" whereby investors put up the money, receive four weeks' access to their boat and 35 per cent of its income. Last year this amounted to 8 per cent of the original investment.

Meanwhile, the four partners began to specialise, although all kept an equal say in management. Zoe looked after the accounts; Lesley, the most fluent French-speaker, French administration.

Mike did most of the meeting and greeting, and Steve started to concentrate on public relations and advertising.

They employed a port manager to look after the boats and a second part-time cleaner to supplement the one they had inherited. Both new employees were previously unemployed, which meant a healthy government grant and a temporary amnesty on insurance contributions.

France Afloat was launched in January 1996, and that year turned over £132,000, as well as providing Burgundy Cruisers with half its bookings.

Having acquired a track record, the partners approached their local bank for loans amounting to £20,000 to keep the boat-replacement programme moving.

The old fleet was gradually sold for a total of £160,000, but the delay in taking delivery of replacements meant that Burgundy Cruisers became short of

boats, and it had to turn people away.

In all, replacing the whole fleet cost £261,000, but through sponsorship, co-ownership and boat management Burgundy Cruisers has only invested £208,500.

France Afloat's turnover has increased steadily, meanwhile, to £171,000 in 1997, and more than £200,000 last year. With France Afloat's contribution, the parent company's turnover will amount to about £450,000 for 1998 - four times greater than when they bought the company - including £55,000 from boat sales and moorings.

Last year the partners shared £19,000; 10 years ago, when they all had "real" jobs, their combined income topped £100,000 plus three company cars.

But priorities are different, with quality of life more important, children to be nurtured and a business to be developed.

The two couples expect 1998 to be a different story, with a full-strength fleet in which no boat is more than three years old, far lower maintenance costs, and little in the way of interest charges.

They would like to expand by opening bases on other waterways so they can sell more of their own product through the France Afloat brochure. This might eventually mean breaking down the business according to their differing interests and ambitions as individuals. But they are all still interested, and they are still good friends.

Burgundy Cruisers, 1 Quai du Port, 88270 Vermenton, France. Tel: 33 (0)3 86215455. France Afloat tel: 0171-704 0700.

'We were not considering giving up everything to run a boat-hire business in France'

The Nature of Things

Please avoid quokka soccer

Mankind has ensured the marsupial's survival. Thomas Barlow reports from its island habitat

Last Christmas, fed up with lowering skies, cold winds, and interminable drizzle, I put my umbrella, raincoat, and wet shoes into storage, packed swimming costume and sandals and fled to a small island off the south-west coast of Australia.

The unpromisingly named Rottnest (a corrupted version of the Dutch, *Rot Eend*, meaning "rot rat's nest") is a small island that forms part of a fringe of limestone reefs that run parallel to the coast west of Perth.

Naturally, I found pristine beaches, exotic fish, coral, shipwrecks, dolphins, gloriously clear water, an abundance of sunshine, and no rats.

The island's misleading name is not a sarcastic Australian humour, but a taxonomic accident. In 1696, the Dutch explorer, Willem De Vlamingh, landed on the island and discovered an animal he described in his journal as "a kind of rat as big as a common cat". A man of imagination, he named the island *Rot Eend* and the name stuck.

De Vlamingh's rat is now more commonly known by its aboriginal name, quokka. It is one of Australia's many bizarre marsupials, a kind of mini-wallaby, and, incidentally, the source of two strange pieces of advice I received after my arrival on the island. First, as though I was some sort of barbarian, I was instructed not to kick the quokkas; and second, as though I was not only barbaric but also mentally deficient, I was advised not to eat the quokka droppings.

Surprising as it may seem, the former is apparently a serious problem. Indeed, while I was there, a student was fined \$10,000 (about £4,000) for playing a brutal game known as "quokka soccer". The latter is more of an issue for hungry young children, who might be tempted by the superficial resemblance of quokkas to Ferrero Rocher chocolate.

The quokkas had a strange and chequered history. A native of south-west Australia, it was virtually wiped out on the mainland in the early 1930s, probably

because of an epidemic of some sort, possibly imported with European livestock. Fortunately, about 7,000 years earlier, rising sea levels had isolated a small population on the newly formed island of Rottnest.

Since the 1930s, when the numbers of their mainland cousins were so rapidly depleted, the population on Rottnest has increased sixfold: from 2,000 to about 12,000. This is not a consequence of some cosmic equilibrium that requires a more or less constant number of quokkas in the universe; it is largely a result of human activity.

When European settlers first came to Rottnest, it was forested with a dense native pine that cut out the light, limiting the formation of an undergrowth which constituted the principal part of the quokkas' diet.

The small ground-hopping quokka loved to eat the tender young shoots of a type of wattle

Over the course of the 20th century, however, the island was gradually cleared - and the most common tree to grow initially was a type of wattle, whose tender young shoots the small ground-hopping marsupial loved to eat. The quokka population exploded.

This has had two effects. First, it has proved disastrous for the diversity of plant life on the island. Rottnest is now severely over-grazed - so that almost the only plants able to grow to maturity there are those the quokka finds unpalatable. Most notable is a lily, which grows on vast, open heaths that dominate much of the island.

But, second, the population explosion has not been much good for the quokka either. With no natural predators, the number of quokkas on Rottnest is con-

trolled essentially by the supply of food. Don Bradshaw, professor of Biology at the University of Western Australia, says this means that "ultimately, the population has come to be regulated by starvation."

Large numbers of animals die in the summer season and continue to die through the winter. About a third of the population starves to death each year.

Population density has also had another effect on the quokka, which in a strange way may shed light on the susceptibility of New World human populations to European diseases such as smallpox. In the centuries of European conquest.

Biologists have discovered that the quokkas on Rottnest are harbouring more than 50 strains of salmonella, most of which have not been isolated on mainland Australia. Salmonella are bacteria, typhoid being perhaps the best-known example. (I presume this is why I was warned not to eat the quokka droppings.) Curiously, the salmonella do not seem to have any significant negative impact on the Rottnest quokkas.

Recently, however, a tiny residual population of quokkas was discovered in a remote forest on the mainland. When a number of some of these were captured on Rottnest in sacks previously used for research, all died within 24 hours. It transpired that the sacks were contaminated with salmonella - an echo of the blankets that carried smallpox to the aborigines and Indians.

To complete the picture, another small wallaby called a tammar is found living on a second island, Green Island, just three miles from Rottnest. Like the residual mainland population, these tammars are living in relatively low density, in pristine forest - their original habitat. No tammar has been found to be positive to salmonella, despite the proximity to Rottnest.

Denser populations are more likely to suffer epidemics, but more likely, for that reason, to build up resistance to infectious disease. Europeans arriving for the first time in Australia, New Zealand and the Americas had this in common with the Rottnest quokka: they came from high-density populations, with a high incidence of disease.

The afternoon I left Rottnest, I spent a few moments sitting on a deserted beach, watching a quokka nibble something under a tree, the sparkling Indian Ocean in the background, and the intense blue of the Australian sky overhead.

And I was thankful there are some things European that are not communicable: the weather, for example.

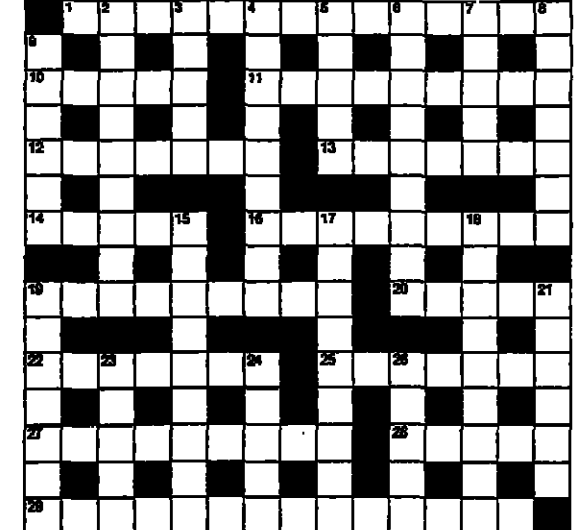


Vulnerable quokka: found the island of Rottnest to its liking

CROSSWORD

No. 9,907 Set by CINCINNUS

The prize of a matching set of finely engraved personalised notepaper, envelopes and correspondence cards on Ecu Kid Finish Paper from Crane & Co will be awarded for the first three correct solutions opened. Solutions by Wednesday February 17, marked Crossword 9,907 on the envelope, to the Financial Times, Number One Southwark Bridge, London SE1 8UL. Solution on Saturday February 20.



Name: _____ Address: _____

WINNERS 9,896: R.D. Colley, London E4; R. Harris, Waltham, Leics; Mrs A. Peacock, London W4

Crossword sponsored by:
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Crane's
SINCE 1801

- ACROSS**
- Living for food (3,3,8)
 - Dream about packing a gun (5)
 - Prisoner with severe cramp (8)
 - Chicken artist (7)
 - Common name for Mike, Ron, Dicky? (7)
 - One who gives a fellow good (8)
 - In a communist country Lawrence comes to desert first, having developed in favourable conditions (9)
 - Singers put out by tenor bias (9)
 - Methusalem's father takes one back to church (5)
 - They catch kids (7)
 - What a witness does at cricket matches (7)
 - Idaho led congress around the fourth of July and had a vacation (9)
 - First-class inflation (5)
 - Improvvised poem composed in foreign setting (14)

Solution 9,906

PANAMA OVERLOAD
LITIGIOUS
ANGSTROMS
PICTURE
NIGHT VIVARIUM
KITE SETTLEMENT
TIGER CRESS
OPPOSITE ORCHEST
NOPE
STREET POT-HOLE
COMPTON'S
ACQUAINTANCE
OCEANIC
RAIN RECEPTION
SCREED
RETREATS
STILLIE

- DOWN**
- The odd athlete or smugger? (3,9)
 - They assist in the formulation of ideas (5)
 - Atlantic island rising (9)
 - Material requirement for sudden impact (8)
 - Making a tunnel be indefensible (9)
 - Meagre weekend for judge (5)
 - Stopped work and went to bed (7)
 - Excelled like international sportsman (9)
 - Cad mad about port (9)
 - Prophets with cards as an alternative (9)
 - Bride's outfit - a sort of shirt by Jean-Jacques (9)
 - Spirit has been crushed (7)
 - Sleuth forced to solicit (8)
 - Of course one has expert knowledge - a constant amount (5)
 - Authority, for example (sic) (2-2)
 - Sample making sense (5)

Solution 9,895

ELECTRICIANS
NOVA
TROUT
FETTER
IMAGE
WHATSOEVER
OCEANIC
UNDETERMINED
EAT
DATE TOWN
SOMEN
OCEANIC
NOVA
TROUT
FETTER
IMAGE
WHATSOEVER
OCEANIC
UNDETERMINED
EAT
DATE TOWN
SOMEN

BRIDGE

Geir Helgemo and Tor Helness have become only the second pair to retain The Macallan International Pairs Championship. Many see their victory as confirmation they are the world's best.

N
♠ J8
♥ Q103
♦ J42
♣ Q9832

E
♠ A97
♥ A5
♦ A96
♣ AJ105

W
♠ KQ1053
♥ 74
♦ K8753
♣ 6

S
♠ 642
♥ KJ9862
♦ 10
♣ K74

Dealer: N N/S vulnerable

North East South West
NB 1C NB 1S
NB 2NT NB 3D
NB 4D NB 4S
NB 4NT NB 5D
NB 5NT NB 7D

With the standard so uniformly high, it is rare that bidding alone can create swings. However, on this deal, only two pairs reached 7D, three managed a small slam, and three stayed in game. Predictably, Helgemo and Helness were one of the pairs who reached the grand. East's 2NT was forcing

and West's 4S was a cue-bid following agreement of diamonds as trumps. After this East launched into Roman Key-Card Blackwood to check, not for aces - of which he held all four - but for the king of trumps. West's 5D confirmed that he held that card, so East could bid 5NT which, ostensibly, asked for information on kings. However, to do this, Helgemo-Helness have the very logical understanding that you must guarantee all the aces and no trump losers, so Helgemo, sitting West, no longer needed to answer the question - he knew that with his two long suits 13 tricks were available.

The other pair in 7D was Howard Weinstein and Gabriel Chagas. Their sequence involved an unusual use of a transfer mid-quence but was otherwise similar to Helgemo and Helness.

Those in game languished in 3NT. It is not completely clear-cut that West should bid on after the Acol sequence 1C - 1S - 3NT but, with all his values concentrated in his long suits, West should consider a slam more likely than not, and proceed.

Paul Mendelson

CHESS

Garry Kasparov made a triumphant return this week when he won the FIDE2000 (56,300) first prize in the Hoogovens grandmasters' tournament at Wijk aan Zee. Kasparov's 10/15 was half a point in front of India's Vishy Anand, two points clear of the world No 3 Vladimir Kramnik, and one of the best rating performances by a world champion.

Critics of Kasparov's failure to defend his title since 1995 and of his absence from tournaments in 1998 may only be temporarily silenced, though.

The Russian is effectively playing double or quits in two weeks when he competes in another top event at Linares in Spain where Anand and Kramnik will again be in the field.

This game, which Kasparov had to win to stay ahead, shows his rampant skill in a hard type of game to play, where the attacker's king remains in mid-board (G Kasparov v P Svidler).

1 d4 Nf6 2 e4 g6 3 Nc3 d5 4 Nf3 5 Qb3 dxc4 6 Qxc4 7 0-0 e6 8 f3 9 Qb3 Nbd7 10 e5 fxe5 11 Be3 Nf6 12 h4 Nf6 13 h5 Rd3 14 exf3 Nxd4 15 Rd1 c5 16 Bxd4 cxd4 17 h6g6 h6 18 Rh5 Qe8 19 Ne2 Qxg6 20 Rf1 Kh5 21 Rg1 Qf7 22 Nxd4 Nd5 23 Qd3

Bd7 24 Qe4 Rcs 25 Bds Nf6 26 Qh4 Rcs 27 Ne2 Nd5 28 Rg5 Qf8 29 Qe4 Qf7 30 Kd2 Nf6 31 Qe3 Resigns.

Resignation looks premature, but Black has no activity and his king will soon be a point in front of India's Vishy Anand, two points clear of the world No 3 Vladimir Kramnik, and one of the best rating performances by a world champion.

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No 1269

M. Seibold (Germany) v L. Borgman (Netherlands), correspondence 1929-9. It was the first unofficial European postal championship, and Seibold won despite missing his chance in the diagram where 1 Qh4? Qd8! led to a draw.

Can you improve? The puzzle comes from Chess Mail (00 3531 4999939), the monthly magazine for postal players.

Solution, Back Page
Leonard Barden

0171-704 1250

PERSPECTIVES



Ethics Today

Can speech ever be both correct and free?

People today have to be careful what they say – especially football coaches it would seem, says Joe Rogaly

The most important man in the universe lost his job this week. He had behaved offensively, so Glen Hoddle, until Tuesday the coach of England's football team. Some say he had to go; others that he was driven out by the media, a victim of political correctness.

Both theories have merit, as I shall explain. Political correctness – PC – was invented in the 1980s, on college campuses in the US. Derogatory remarks about women, blacks, Jews and other groups were forbidden. Students could say what they liked, so long as they remained within the boundaries set by their nannies.

The PC rules were adopted by many in the prime parts of the American media. They were

ignored by certain "shock jocks", radio's merchants of hatred. One of the most infamous, I read on the Web, described a black Mayor of New York as "a man's room attendant" and advocated "drowning Haitian refugees".

We Europeans are aware of the First Amendment, but we nevertheless wonder why racism on the air is permitted under the US constitution. We also tend to doubt the notion that if every word spoken was PC, tribal conflicts would never occur.

Yet the tendency to censor anything that might cause offence to anyone at all has spread across the Atlantic. Thus do we believe two contradictory propositions at once. Opinions should not be constrained. The use of language must be circumscribed. The trick, impossible to

get right, is to establish whether a line can be drawn, leaving free speech on one side and incitement to do harm on the other.

The verse from one of my albums of country music keeps coming back – *sticks and stones can break my bones but words can break my heart*. Actually, words can be murderous.

This was accepted by a federal jury in Portland, Oregon, on Wednesday. It awarded \$107m in punitive damages against anti-abortionists who listed the names and addresses of "baby butchers" on an internet site called The Nuremberg Files. When three doctors were killed, their names were crossed through on the list.

Such fanaticism can be lethal. Freedom of speech cannot permit it. But what about Jerry Falwell,

who preaches on the small screen? He has apologised for saying that the Antichrist is Jewish and probably alive today. To the extent that the evangelist was expressing a theological opinion and not fuelling anti-Semitism he arguably had the right to make his original remarks.

So far, so delicate. We can now turn to Mr Hoddle. He was reported in last weekend's edition of The Times as saying "You and I have been physically given two hands and two legs and a half-decent brain... some people have not been born like that for a reason. The karma is working from another lifetime."

Uproar. Groups representing disabled people protested. The prime minister said that if Mr Hoddle had been quoted cor-

rectly he could not stay in his job. The shoal of media pharisees closed in on the doomed coach's thrashing body.

Yet if you take the two US cases quoted above, Mr Hoddle falls lightly on the Falwell side of the line. His notion of reincarnation sounds muddled. His Hindu-Buddhist beliefs were as kookily expressed as was the televangelist's distorted version of Christianity. But he did not come out in a direct attack on disabled individuals; he did not overtly seek to do them harm.

Yes, yes, comes the reply – but he insulted them. If he had implied that racial characteristics reflected actions in a past life no civilised person would have sprung to his defence. Against that we must concede that just about every religion, in

fundamentalist form, is politically incorrect, replete with verbal denunciations of non-believers, homosexuals, women, single mothers...

The strongest argument for the dismissal of Mr Hoddle is that he was an important public figure, a role model, a high priest of the soccer religion. It was incumbent on him to restrain himself, to avoid gross discourtesy to any group. While he held the job he could not enjoy the freedom of speech allowed to, say, some of Britain's cruder stand-up comics.

This is not to say that the rest of us should be let loose to be as non-PC as we please. South Africans are acutely aware of every nuance of every derogatory term for every ethnic group. During the apartheid years these were

the hate-nouns of racial classification. They are unacceptable in Nelson Mandela's republic.

The older democracies should be at least as PC as post-apartheid South Africa, should they not? This is awkward. Democrats are naturally uncomfortable with restrictions on the freedom of speech. Those who set the limits of PC-speak often create absurdities, bringing the whole idea into disrepute.

That line we seek to draw is elusive. The law should debar public use of language that foments antipathy towards others, but it should also allow everyone to speak his or her mind. It is one of those things none of us will ever get quite right. When in doubt, I say favour free speech.

Joe.Rogaly@ft.com

Lunch with the FT

Harvard hero beckons whites into his world

Henry Louis Gates has fulfilled a lifelong dream with his new project Encarta Africana, writes Victoria Griffith

Perhaps the biggest surprise of a visit to the offices of Henry Louis Gates, hero of the black intelligentsia, is finding that his secretary, Joann, is white.

In fact the whole of Harvard University's Afro-American Studies department, which Gates runs, seems a model of integration, where yachtsy-looking Anglo-Saxons intermingle with distinguished-looking blacks.

On reflection, it is a fitting environment for Gates. As a celebrity academic, he has spent his life inviting white people into a black world.

On the day I meet him, he is beaming about his latest project, a CD-Rom encyclopaedia that provides a showcase for the contribution made by blacks to history.

For those of us from the white universe, the publication of an encyclopaedia may not seem much cause for celebration. Yet it is an achievement that took African-Americans most of this century to fulfil.

The pan-African encyclopaedia was the unfulfilled dream of W.E.B. Du Bois, the pre-eminent black philosopher of the early 1900s. Du Bois spent most of his life trying to find a sponsor for his project: racism and ignorance did him in, and he died without finding a publisher. Ever since Gates was a student and first read of Du Bois' failed quest, he has dreamed of that elusive encyclopaedia.

Now the US software giant Microsoft has fulfilled that dream; last month Encarta Africana was officially released. "The primary cause of racism is ignorance," says Gates. He addresses his audience of one as if he were lecturing a hall full of people. "The best way to combat ignorance is to marshal scientific facts about the negro."

Showing off the CD-Rom in a darkened conference room, Gates presides over the portrayal of his race's accomplishments like a father showing off his children's report cards.

He beams with pride as he clicks on an audio tape of Bessie Smith, the great blues singer of the 1920s. "I picked out most of the music clips myself," he confides.

The encyclopaedia, which Gates edited together with a Harvard colleague, the acclaimed author Kwame Anthony Appiah, is at times deadly serious, at times

light-hearted. Under the heading, "Aardvark", for instance, we learn that Malcolm X, the black rights leader, was fascinated by the spelling of this word and made a special visit to the Bronx Zoo, just before his death, to see what an aardvark actually looked like.

Gates had originally planned to meet me over lunch at a local Indian restaurant, but has instead asked Joann to bring in some "veggie burgers" so he can demonstrate his work. (He is not a vegetarian, he points out, but just likes meatless burgers.) He complains a few times about his hunger and the cold he is nursing, and when the food finally arrives, the slight-framed Gates digs in with zeal.

As the foremost interpreter of the black experience for white America, Gates's glamorous lifestyle is the envy of many Harvard academics. The university will not reveal his salary, but he is rumoured to be the best-paid

Every sentence seems measured to place the listener in awe of his eloquence

humanities professor in the US. It is Gates's reward for turning Harvard's moribund Afro-American Studies department into the best in the country since his arrival in the early 1990s.

When he is away from Cambridge, Gates is mingling with other celebrities. He is friendly with Hollywood producer Steven Spielberg, and was a consultant on Amistad, Spielberg's film about a slave rebellion.

Gates also manages to keep his name in constant circulation. He regularly hosts programmes for the BBC and US television, interviews other black high-flyers for the New Yorker magazine, and writes and edits a stream of books.

Given Gates's devotion to Du Bois, it is hardly surprising that he took up the challenge of compiling the pan-African encyclopaedia. He sees himself as Du Bois' heir apparent, an incarnate

member of the "Talented Tenth", the group of accomplished blacks that Du Bois expected would lead its race to better times.

Those better times have proved more elusive than Gates's predecessors might have predicted. While Gates is clearly proud of his racial heritage, he is disturbed by the split in the US between the black middle class and the poor.

He has the perplexing statistics to hand. In 1987, just 5 per cent of US blacks were professionals or managers. Today, more than 20 per cent are. Yet while black affluence has been growing, so has black poverty. More than half of all black men between 25 and 34 are jobless or underemployed.

"MLK [Martin Luther King] would never have predicted this kind of chasm," says Gates, standing up and pacing slightly, as if he were at the front of a classroom. "He didn't give his life so that half of us would make it and half of us wouldn't."

There are a number of theories to explain this gap. The extreme right argues that blacks' poverty is solely of their own making. The extreme left blames years of discrimination by the white population. Gates falls solidly in the middle, upbraiding both races.

"Black poverty is both structural and behavioural," he says. "Of course, discrimination is still a problem. But black people also have choices. You don't have to get pregnant at the age of 16. You don't have to kill your next-door neighbour."

"If a robber's climbing in your window in the middle of the night, you're probably not going to be thinking about the hard time he had growing up."

Gates beams when he sees as the decline of intellectual ambition among American blacks. "When I was growing up, we didn't aspire to be sports stars," Gates says. "Thurgood Marshall [the first black Supreme Court justice] was who we wanted to be. It should be Vernon Jordan, not Michael Jordan."

Yet Gates is also critical of many whites for failing to provide much-needed social assistance to the inner cities. More needs to be done to protect and educate poor black children, he believes, and more must be done to help poor blacks become entrepreneurs and professionals.

It is perhaps Gates's ability to see the issues from both sides that has made him such a bridge between whites and blacks. His



Harvard's Henry Louis Gates: 'When I was growing up, we didn't aspire to be sports stars'

mother hated whites. Gates wrote in his autobiography, *Coloured People*. While he understands that hatred, he has not carried it into his own life. In *Coloured People*, he describes his first love as a white girl from his home town in West Virginia. He eventually married a white.

Yet the professor is no stranger to prejudice. His own formidable intelligence seems a challenge to anyone who would doubt the abilities of his race. He is ever-conscious of that role, and every sentence he utters seems measured to place the listener in awe of his eloquence.

As a student at Yale in the late 1960s, colleagues and professors seemed less surprised by his presence there, during the first flush of affirmative action, than by his ability to get top marks. Their low expectations still grate on Gates's nerves.

While he never underestimates the problems of racism in America, he believes other countries are complacent about the challenges they face in this area. "Racism takes different forms,

depending on the country it is in," says Gates. "England has its own particular form of racism. Brazil is one of the most racist countries around. Just pick up a magazine there and count the number of black faces you see inside."

For the time being, discussions about race have been put on hold in the United States. Gates believes it is only a matter of time before the tensions come back to the boil.

"In the US, we talk about it during a big event, then we stop," says Gates. "But talking

can only do so much anyway. All we seem to do in the US is talk about race."

Ironically, talking and writing about race is what Gates has spent his life doing. Any white who spends an hour with him will feel closer to the black race, and more in awe of it, for having done so.

Perhaps more than any of his contemporaries, he has become the secretary of state for people of African descent. His Encarta Africana is his latest plea for peace.

My virtual disaster as a planner

Gordon Cramb meets the man behind the program that allowed him to create his own town

Public transport is efficient but running at a loss; a new road tunnel has just cost a pile of money; now bridges need repair. Industry has nowhere to expand, and housing is short. Crime is a little out of hand. Municipal finances do not look wonderful.

The scenario will sound familiar to residents of, say, Amsterdam or a good number of other world cities. But it is the story of a town called Weflon, where things get worse, and the only people to blame are an American named Will Wright – and me.

When Wright visited Amsterdam, our discontented citizens could have tracked us down in the same room. He had come to address a conference at the Beurs van Berlage, an imposing edifice. As the man put in charge of Weflon's development, I should have provided the town with some-

thing similar. But as it is, taxes rose and the population ebbed; most buildings stand derelict.

But then came the reality check – there were no Weflonians in the real world. I had to keep reminding myself of this while playing with the town's neatly mapped outlines on my laptop computer screen. Wright was real, however, and in the Dutch capital to talk about his creation, SimCity – a computer program which, without lifting a brick, allowed me to name, design and administer Weflon and see what would happen.

"People have asked us to plan a city or a social system. That

scared the hell out of me," says Wright. But he does maintain that the exercise in constructing a society and determining how scarce resources are allocated can "clarify values in ourselves".

The first thing SimCity did for me was to confirm that, in dismissing a teenage whim to train as a town planner, I had made a sound decision – not only for me but for urbanites wherever I might have ended up. But then, it was only my first go at the first computer game I had really wanted to play since a 50p outlay on a Space Invaders game in a pub in the late 1970s put me off them.

In the meantime, the internet had sneaked into my life, from which I learn that SimCity has been around for nine years and has sold 5m copies. I have joined its newsgroup and forged acquaintanceships with people I have not met. From participation in this virtual community, I was now ready to create one.

There were about 1,000 of us at Doors of Perception, a three-day multimedia, design and culture exhibition organised for the fifth time by the Netherlands Design Institute. The most visible difference between this and other

computer fairs was that the suits were fewer and the spectacle frames modestly thicker.

In her *Joystick Nation*, a history of video games, J.C. Herz calls SimCity and its spin-offs "essentially digital terrariums for grown-ups". And the main point of having an ecosystem at your fingertips, whether digital or planted in dirt, must be so you can manipulate it.

Or is that too much a male conclusion? Brenda Laurel has three daughters and has been designing computer games since 1977. Boys want superheroes, she says, but girls seek out "people [digitally generated characters]

they can imagine being in a relationship with."

Girls "will solve incredibly difficult problems and master difficult skills if the payoff is an experience they are interested in".

Wright is bringing that experience closer to home in a game due out this year, of which the Amsterdam fair got a glimpse. Setting it in a residential unit means the biggest danger is that boys, the paunchy and balding ones included, may see it as a dolls' house. That could send them heading for the hills, or at least for the more ruggedly packaged pursuits of a Sony PlayStation.

But adults like to use supposedly practical architectural programs as toys, says Wright. A handy 8m of those have been sold, largely to couples most of whom have no intention of placing an order for that conservatory or deck.

Scaled right back, my early urban planning ambitions show up indoors these days on shelves of graph paper every time I move house: furniture plotted in, kitchen reconfigured. Next time, that will all be done on computer.

In Wright's computer house, an otherwise static family scene gains an edge through the arrival of neighbours and home improvements. Who will be first to jump naked into the hot tub just built in the back yard? "These characters actually do have relationships," he says. I find this statement alarming. But then I'm not your average Weflonian.

PERSPECTIVES



Business uses both sides of its brain

Shere Hite has written about, and led, the sexual revolution for 30 years. Here she talks to leading businessmen about its progress from the bedroom to the boardroom

Thirty years into the sexual revolution, sexual politics are bigger news than ever. President Clinton's involvement with a White House intern is testing the boundaries of the US constitution and has threatened to catapult him out of office; the public fascination with Princess Diana has led the British royal family to review the way it does business. Viagra, sexual harassment suits, abortion, AIDS research, rising divorce statistics all testify to the fast pace of social change.

Surprisingly, no one has asked the world's leading businessmen for their thoughts on these developments – as if there were a mysterious divide separating “lifestyle issues” from “the financial world”.

So I set out to interview some chief executives. On the agenda: what do multinational bosses think about recent social changes and how do they affect corporations? How do chief executives believe business leaders should behave in their private lives? Must a man be a “perfect family member”? Will women be successfully integrated into top management? What will the 21st century boardroom look like?

Multinationals are coming to dominate not just work life but also cultural life in the way that the nation state has, first as an idea and then as political reality, since the 16th century. As unselected bodies, in effect fiefdoms, (belong to one, and get receive health insurance, old age benefits, and social status) their values are crucial to the way society develops – whether along fundamentalist religious principles (women at home, men at “Serious Work”) or along secular lines based on equality and human rights.

The 18th century revolutions that created our political system, democracy, left an unstable situation behind by initially denying women basic voting and property rights, thereby entrenching their status as a disenfranchised group.

It is only in the late 20th century that the discrepancy in status between men and women is being addressed, as the ongoing revolution in private life has made the leap from the bedroom into the boardroom.

Corporate leaders are thus trying to resolve two tough issues: the successful integration of women into the top layer of a corporate structure without undermining elite male staff, and defining the boundaries of personal freedom for the male executive.

These two challenges for a chief executive are intertwined. There is the dilemma, for example, of whether to promote a woman to a top job. If he does, he may court gossip and controversy; if he doesn't, then he has to face himself every day, knowing that a qualified and deserving colleague has been denied promotion because of his insecurity.

Laurenz Fritz, formerly chairman and chief executive of Alcatel, now Austria's industry minister, told me about his experience. “At Alcatel there were no women in the upper ranks or on the board. I changed that but it was a complicated business. I had to live with the cliché and the accusations but the woman went through it and today she is still with the company. It takes courage but it is important to do it.”

“Why did I want a woman on the board? Women have different mental abilities from men. They think with both sides of their brain and companies need that.”

“To avoid any rumours I left the job of finding someone to a headhunter. They found a woman who was so good she just had to be taken on; no one could find a reason not to accept her. Still, she had to prove she was the right choice. She was well qualified, experienced. It was not easy for her in the beginning, she was very exposed; everyone was looking at her, waiting for her to make a mistake.”

“It was strange for her because she knew it was me who had asked for a woman and she probably felt a certain affinity towards me because of this. She was seen as my protégé. We had to be out of our way to show that there was no special relationship between us. Eventually people accepted this.”

“Some men need to rethink their notions with women. There is more than one type of relationship possible between a man and a woman. How a man grows up could affect his policies about women in the corporation. He

could still be living with old patterns, which say that a woman is for sex, reproduction or seduction. Or he could understand that there can be many kinds of relationship between the sexes.”

In a culture in which there has been faint acceptance of friendship between women and men – a world that prepares us only for father-daughter, mother-son, wife-husband or lover, or possibly brother-sister relationships – it is proving difficult for men and women to evolve together as work.

The integration of women into the larger world always brings forth, for example, the cliché that there is no such thing as friendship, there is always a sexual undercurrent or attraction between a woman and a man.

Only two or three years ago, drifting off to sleep on an aircraft on the way to some business meeting, an executive might read about Madonna, vaguely muse about her personal life, reassuring himself that it had nothing to do with him. “Ah, the sexual antics of artists...” zzzzzzz. Today, the same person could be confronted with the headline: Sexual Intercourse With White House Intern Leads to President's

‘A man could still be living with old patterns which say that a woman is for sex or seduction’

Impeachment. The brain whizzes. What if such standards of behaviour were applied to the heads of global corporations?

Perhaps they need not worry. The rules of behaviour for people in “high places” may be changing. The growing number of people living on their own (perhaps as many as half the population of western cities now live as “single”), together with increasing divorce rates suggest that, for many people, traditional family structures are no longer attractive.

People's lives often do not follow the “rules” – exactly – and even when they do shelter under the carapace of family life, they may not live up to the values that society imposes as “normal” and “good”. President Clinton is simply the most visible example of this.

Today, at the end of the century, almost everyone is involved in an inner dialogue, rethinking their private values and lives, whom they live with and why. The combination of sexual issues with hard news is not a passing aberration; it is part of the world's attempt to integrate sex and politics, women and work.

Corporate press officers try to maintain the line that “private life is outside of work. We don't care what our people do when they are not working.” But this is not the whole truth and chief executives are restructuring both their companies and their attitudes. As one put it: “To make use of the best talent around, attitudes need to be changed.”

“The revolution in private life has so far included the right to divorce, be single, have equal partnership in marriage. Women want equality and justice both at work and at home. Men want to live with more choices about their personal lives than in the past.”

Conventional wisdom holds that this “secular” system of private life (right to divorce, contraception, etc) is “less moral” than “traditional family values” but the opposite seems true. It seems to me that people are trying to develop more moral private lives. The system we have had since the democratic revolutions of the 18th century was not particularly “moral”; it put men and women at odds, unnecessarily, since it was founded on basic injustice, inequality.

Men, as well as women, have complained about their private lives, instinctively feeling that something was wrong; too often men wound up feeling like guilty beasts around women. But it's not men who are at fault, it's a faulty moral and social sys-



Shere Hite. Photo: Michael O'Connell

tem – which many people are trying to remedy. If the changes succeed, eventually we can have a higher level of moral integrity for private life. Problems in relationships, private and corporate, will be solvable.

Not only have women revolutionised their identity in the family, men, too, have gone through a metamorphosis. They see themselves differently from the way men were in the 1950s and 1960s. Executive culture – designed for a world of men married with children, wives staying at home and taking care of them – is also changing as business increasingly reflect advances in social thinking.

Juan Villalonga, chief executive of Spanish Telecom, told me: “Telefonica, recently privatised, is in the process of a huge cultural change, like the rest of Spanish society. Our objective is to create value for our shareholders; customers come first. Therefore we need a highly motivated group of people. In this context, the changes in family structure and composition, especially the changes in women's place in society, play a crucial part in our decisions about hiring.”

“We are hiring a lot of young women with MBAs. More than 50 per cent of people leaving universities with MBAs are women. Their grades at university are better than men's. But getting women into the upper stages of management is very slow because in Spain women have not been in these positions, so we don't have an existing pool of talent at the executive level from which to recruit.”

“We are starting now and we hope that in a few years there will be many women at the top. We don't believe in quotas; we just want the best qualified person for the job. In our experience

women are less interested in office politics or status symbols – cars and titles – and more concerned with gaining satisfaction from their work, than men. This makes them better employees.

“As men, we don't know how to react to the change in women's status vis-à-vis us. We are trying to come to terms with it. Generally, Spanish men are not yet ready to take an equal place with women at work nor to have an equally important working wife. But that is coming. The state of marriage and personal life is changing.”

“In the abstract I think traditional marriage has developed through stages. First, there was polygamy, the

‘Men today are different, they have seen James Bond, the Beatles Bob Dylan – and the Spice Girls’

woman at home and the man with others, then free love and now women have the possibility to share experiences with other people in the workplace. This changes everything about the psychological arrangement within the couple.

“Today a woman living with a partner may come to us and say, ‘Could you also find a job for my boyfriend/husband here?’ We try to do this so they can stay together. We want them

to be happy. It is hard to be happy when you have to figure out night by night who to spend time with, who to go out with and so on.”

Mike Wilson, chief executive of J. Rothschild Assurance, the life assurance group, commented: “We can't go back to the days when women's main job was pressing men's shirts. Today family values means different things to different people. We need women to work. It is not reasonable to hold women back. We should encourage women in their careers, more women (in business) would be good for everybody.”

“At the same time male business leaders can find it increasingly difficult to make their personal lives conform to old stereotypes of ‘the perfect family’ and long-term ‘stability’. The world has changed – and they have changed.”

“Men today are not the same as their grandfathers: they have different ideas of who they are and who they want to be. They have seen James Bond, the Beatles and Bob Dylan – and the Spice Girls. They want to feel they are with the times but still legitimate citizens in terms of family responsibilities. They don't want to be ‘loners’ with no family or personal life but they don't want to be tied down by old definitions of ‘the family’ either.”

“The macho attitude is, ‘Your personal life should not affect your business life.’ But the truth is an individual's personal life does affect business. So if someone is having a difficult time he should say to his colleagues, ‘Look if I'm not on the ball in the next few days or weeks, it's because I'm going through this and this situation.’ People feel it's a weakness to admit anything like this, even to change or be unsure about emotional life or be disturbed.

Sex researcher Shere Hite's startling reports on women, men and sexuality made her an overnight sensation and changed the course of feminist debate. Her Hite Reports, including *Female Sexuality* in 1976 and *Male Sexuality* in 1981, are based on extensive surveys and study human sexuality in minute detail, including sexual anecdotes and outspoken conclusions.

But it's a strength to change: no one has a smooth ride throughout their life. Everybody faces these situations sometimes. It is useless to pretend everything is fine all the time.”

Jean-Jacques Gauer, chief executive officer of Leading Hotels of the World, when asked about “family values”, quipped: “What are ‘family values’ really? For most executives today, there are two families, a work family and a private family, with whom you spend much less time; one hour in the morning when you are in a bad mood and one hour at the end of the day when you are dead tired. This can make for a tumultuous day.”

Then he added, more seriously: “We have had many cycles and fads – sexual liberation, the Beatles, the 1960s, drugs, AIDS, etc. After all these waves of behaviour, it's only normal that some traditional values come back. Parts of traditional values and parts of liberal values are good; individual freedom to move, to think for oneself, is the good thing we learned in the 1960s and 1970s and the positive value to take forward.”

“The 1980s and 1990s with their focus on ‘family values’ can be good if we take this to mean actively caring for other people, thinking about others, not a focus on the idea that the only good way people can live is ‘daddy-mummy-children’. After all, a family can be two friends.”

Many of the men I spoke to, especially those with daughters, wanted to talk about women inside corporate management and felt worried, even guilty, that the outlook for them was not yet as positive as for their male peers.

Several stressed that women should be promoted but it worried me when they said: “Don't worry, we're hiring young ones now, then they'll move up.” They may be overlooking qualified women around them now. One wonders if this is a pretext for not allowing more women into the boardroom and facing the challenge head-on. In Japanese corporations, for instance, women are generally expected to get married and leave work by their late-30s, thus bypassing any possibility of promotion and leaving male domination intact.

Some executives are trying to change things, though I'm not sure that their solutions will work without more understanding of what blocks women's progress up the career ladder. Too often the view, expressed with some resignation, seems to be that women inevitably “pay the price” in career terms for having children and for taking time off to raise them.

Women themselves may lack enthusiasm for the corporate world, so I recommend that wherever there is a think tank there should be a woman putting the case for flexible working, career breaks, job shares and all the other options that mean companies can retain and develop the expertise of their female staff.

I am grateful to the chief executives who have shared their thoughts on these subjects with me. Finding answers to these pressing issues holds the key to women's future happiness and men's personal self-esteem and confidence.

I believe the opinions reported here will be beneficial in forming a new consensus, sorting out where we want to go, both as corporate cultures and as a society, while opening up new avenues for thinking.

If we take some of the ideas and experiences of each chief executive we can come up with a cocktail of ideas for how to improve the mix of men and women in corporations – and life. Here's to the new corporate culture. ● To pre-register for a signed copy of Shere Hite's new book, *Sex and Business*, visit this website address: www.ftmanagement.com/sexandbusiness

BOOKS

From a roar to a whimper

Peter Montagnon on tiger economies

Three or four years ago, Asia seemed to have a secure future, not only as the economic powerhouse of the next century, but also as the fount of the world's social and moral values. Decades of near double-digit growth, stretching out into the indefinite future, would confer on the region an enormous concentration of wealth and consequently the ability to impose on the rest of the world its own standards – in everything from political philosophy to consumer taste and lifestyle.

Then, after the devaluation of the Thai baht in July 1997, everything went wrong. A wave of speculation hit the currencies of the region, causing most of them to plunge and interest rates to soar. Once-prosperous businesses were suddenly insolvent. Economic output contracted sharply, with gross domestic product in

region, and that newly acquired wealth brought with it the same moral turpitude – materialism, drug culture and loose sexual mores – for which Asia's rulers used to lambast the West.

In fact materialism has left an aching void in the value system: witness the rise of charismatic Christianity in Singapore and the slow drift towards a more fundamental Islam in Malaysia and Indonesia. By the time the boom turned to bust, large tracts of the region were facing an HIV epidemic and had succumbed to environmental degradation.

Mallet is quite right that the failure of Asian governments to develop a civil society limited the scope of the boom and meant that bust was inevitable. He has fewer pointers to where we go from here. The supposition in his conclusion is that rapid growth will return once the economic crisis is over. I am less convinced that southeast Asian governments will easily overcome the kind of institutional failings he so graphically describes. Much also depends on what happens in Japan and China, whose fate will do much to shape the rest of the region. Nor can it yet be said with certainty that economic failure will lead to the democracy for which Mallet believes the average Asian yearns.

Mallet's book is engagingly written and rich in anecdote, but it is fundamentally a work of journalism. One might expect more argued answers from an academic like Lingle. In the event, his book turns out to be a disappointment. The main problem is that this is a hasty and clumsy revision of an earlier work – in Chapter 5 he talks of the Hong Kong handover as if it were still in the future and then, in Chapter 11, analyses it as an event now past. The book thus also suffers far more than Mallet's from appearing to be an attack on a value system that since July 1997 has essentially lain in defeat, and while Mallet's painstaking research brings Asian society to life, Lingle's book comes across as a rant. What serious analysis of Asia should now focus on is how the region's social and economic evolution will and should be influenced by the crisis.

Lingle is contemptuous of journalists who failed to see through the cruel incompetence of Asia's regimes. Yet some, like Mallet, wrote critically of Asian values even when they were reporting from the region. Mallet has struggled to keep his book up to date through a period of extraordinary change; Lingle's failure to do so betrays only sloppiness.

To order 'The Trouble with Tigers' at a special price of £17.99 (inc. UK p&p) call FT Bookshop on +44 (0)181 334 5511 (24hrs)

THE TROUBLE WITH TIGERS

by Victor Mallet

HarperCollins £19.99, 332 pages

THE RISE AND DECLINE OF THE ASIAN CENTURY

by Christopher Lingle

I.B. Tauris £14.95, 316 pages

Indonesia falling almost 15 per cent last year – a fall comparable to the slide in the US economy during the great depression.

These two books deal with what caused the collapse. Both authors have wide experience of southeast Asia. Victor Mallet covered the region from Bangkok for this newspaper from 1992 to 1995. Christopher Lingle was a fellow at the National University of Singapore until he was forced to make a hasty exit after offending that country's first family and its patriarch Lee Kuan Yew.

Both authors start from the premise that the 'Asian values' on which the economic miracle was based were flawed. Mallet and Lingle both argue that the core Asian value of placing the needs of the community before those of the individual was little more than a front for keeping authoritarian governments in power. The close relations of those governments to businesses, which were also run in an autocratic way, helped create a short-term boom, yet it also fostered an insidious climate of cronyism and stunted the development of the rule of law.

Mallet's contribution to the debate is valuable because it focuses less on economics and more on the region's social development. He shows that the so-called Asian values were not shared by all countries of the



Futile fluttering in the wind? Prayer flags at the Potala Palace, Lhasa

Tony Stone

The wheel comes round

Cal McCrystal reviews a timely history of Tibet

A few years before the outbreak of the second world war, H.G. Wells tried to imagine Gautama, founder of Buddhism, returning to earth to search Tibet for evidence of his own teaching. "About this Buddhist country-side he would discover a number of curious little mechanisms, little wind-wheels and water-wheels spinning, on which brief prayers were inscribed. Every time these things spin, he would learn, it counts as a prayer. Moreover, there would be a number of flagstaves in the land carrying beautiful silk flags, which bore the perplexing inscription, 'Om Mani padme hum', the jewel in the lotus." Whenever the flag flaps, he would learn, it was a prayer also, very beneficial to the gentleman who paid for the flag and to the land generally. . . . And this, he would realise at last, was what the world had made of his religion!

Tibetans, it seemed, were going nowhere on the Wheel of Becoming. After the war, the land of the snows had no roads, no wireless, no soldiers worthy of note, no cash beyond what might be minted from the silver in Lhasa's

Potala treasury, and – crucially – no diplomacy.

Britain, which had invaded the country in 1904 (following Russia's practical annexation of Manchuria), lost interest in Tibet on losing India in 1947. Within Tibet, problems were ritually addressed by consulting oracles, and in 1949, a problem arose in the shape of a spikier wheel: the revolution that created the People's Republic of China. Beijing quickly declared the "liberation of Tibet" to be its "sacred duty", and, in 1950, invaded. Chinese Cultural Revolutionaries consolidated the conquest in the 1960s and 1970s with unswerving brutality. By then, the Dalai Lama, Tibet's spiritual leader, had become a refugee in India: the oracles had failed, and the jewel had left the lotus.

As evidenced by this book's 20 pages of bibliography, there have been many accounts of the Tibetan trauma, some of them very searing. One (*Tibet: The Facts*), which I read nine years ago but is not on Tsering Shakya's list, describes the destruction of the monasteries and art treasures as "an utter cultural catastrophe" and refers to the "deliberate and diabolical murder

of a country... unparalleled in this, our time."

The vindictiveness of the Red Guards and the atrocious tactics of Lin Biao, Mao's scheming Number Two, no doubt justify any superlative. Yet this is a winningly measured book, restrained and diligent, and one which, therefore, provokes thoughts

THE DRAGON IN THE LAND OF THE SNOWS:

A History of Modern Tibet Since 1947 by Tsering Shakya

Pimlico £12.50, 574 pages

other than those inspired by indignation and outrage.

One (impulsive) thought is that the Chinese Communists, for all their savagery, may have done Tibet a favour by dragging her, kicking and screaming, into a world that, if not exactly modern, was less medieval than that from which Tibetans seemed incapable of freeing themselves. By declining membership of the League of Nations in the 1920s, for fear of opening up the country to outsiders, Tibet forfeited later recog-

nition as an independent nation, and now a "progressive" Tibetan like Baba Phuntsog Wangyal, who argued that Tibet's survival lay "in opening the country to the outside world and introducing internal reforms" was not taken seriously. If a crisis arose, "no one was willing to take charge", and the Himalayan territory's reliance on divine guidance made it an innocent and easy victim of an adversary as perversely obtuse and injurious as its giant neighbour.

Tsering Shakya provides absorbing detail on the impotence of those who balked at coming to Tibet's aid: Britain, India, the US and the UN. (At one stage, El Salvador was the only voice in the community of nations pleading Tibet's case.)

So in the end, ignoring western criticism of its human rights record, Beijing went ahead with its planned integration of Tibet with "the Motherland", "by means of institutional reform and the accelerated development of a market-oriented economy".

From the new Wheel of Becoming came energy resources, transport, telecommunications and light industry capable of supplying local needs. Entrepreneurs

found "fertile ground". First-Maoism traders flocked in. A long-term aim of 10 per cent annual growth was mooted. Tibet's first stock exchange opened in Lhasa in 1994.

Now what? Even Gautama, the Enlightened One, would hesitate before answering. But it seems certain that Tibet will be lashed firmly to China for some time to come, and fairly certain that Tibet's material advantage will continue to depend on her neighbour's economic expansion.

What the author does emphasise, however, is that the Tibetans, despite – or because of – enforced modernisation, feel little "filial affection" towards "The Dragon" whom they regard as a malevolent force seeking "to destroy Buddhism and the Tibetans". The Chinese, in their intimidating way, insist on calling the Dalai Lama a "political fugitive". Yet, however polarised the two sides continue to be, it seems reasonable to assume that little wind-wheels and water-wheels are no longer the sole spinners of Tibetan destiny. Perhaps China, unwittingly, may have given a future generation of Tibetans the wherewithal to spin it themselves.

Plots, spies and cigars

Michael Carlson on the guerrilla tactics of the American Civil War

If officers had not smoked cigars, the American Civil War might have turned out differently. When Union armies finally fought Robert E. Lee's forces to a standstill at Antietam, providing the impetus for Abraham Lincoln's Emancipation Proclamation, it was only because they had found a Confederate battle plan in a cigar case dropped by a cavalry lieutenant.

Two years later, Colonel Ulric Dahlgren was part of an unsuccessful raid on the Confederate capital of Richmond in March 1864, aimed at freeing Union officers held captive in appalling conditions in a derelict warehouse known as Libby Prison. The raid went disastrously wrong, and Dahlgren was ambushed and killed before he could return to Union lines. On his body, wrapped around his cigars, the Confederates claimed to have found orders that included the assassination of President Jefferson Davis and his cabinet.

This revelation created understandable furor in the South, but it also provided an excuse for Davis to approve a series of plans for terrorist attacks on Northern

cities, with the aim of encouraging "Copperheads", who sympathised with the South or simply opposed the war, to rise against the seemingly unpopular President Lincoln.

Dahlgren was only 21 years old and had already lost a leg in battle. His father, Admiral John Dahlgren, was a close friend of Lincoln's, and one of the North's most able commanders. The orders were quickly denounced as forgeries by the Union. But the question was further complicated by the accusation that Dahlgren had spent six weeks as a spy in Virginia, gathering intelligence about Richmond, and becoming very popular with the locals despite his curious reluctance to dance or run in races.

Dahlgren's is a fascinating story, yet it proves to be a mere springboard for Duane Schultz's even more entertaining tales about the men and women who spied and organised the would-be

terror campaigns. The most notable of these was Thomas Henry Hines, a Captain with John Hunt Morgan's Kentucky guerrillas, who seems to have spent the whole war escaping from Union custody. Hines came close to

THE DAHLGREN AFFAIR: Terror and Conspiracy in the Civil War

by Duane Schultz

Norton £18.95, 298 pages

instigating a revolt around the Democratic Party convention in Chicago, but inevitably the Rebels discovered that Copperheads would be unwilling to risk war against their own government.

In between failures and escapes, Hines also helped finance his operations by selling his story to a Boston magazine, and found time to spirit his fian-

cée away from her convent school, well inside Union territory, for an engagement party and for their wedding.

More successful than Hines was Elizabeth van Lew, a Richmond society woman who abhorred slavery and spent the entire war spying for the Union and aiding prisoners in Richmond. When Davis had Dahlgren's body buried secretly in an unmarked grave, van Lew was able to steal it on behalf of his family. General Grant called her the North's most effective agent, but after the war she was treated shabbily by the victors and ostracised completely by the losers in her home city.

The Richmond raid was the brainchild of General Hugh Kilpatrick, a brash young officer reminiscent of his equally headstrong friend, George Armstrong Custer. Kilpatrick and Custer shared, among other things, the affections of a teenage camp fol-

lower called Annie Jones, to whom Kilpatrick gave a major's uniform and a pass through the lines. She may also have used to visit Jeb Stuart, the enemy's cavalry leader. When Jones's presence finally caused a scandal Kilpatrick and Custer each tried, in a less than gentlemanly manner, to place her in the other's company.

Kilpatrick's daring plan, in which he attacked Richmond's main defences while Dahlgren led a smaller force from the west to capture Libby Prison, would have worked had the General possessed the same will to press attacks as to plan them. When Kilpatrick's assault became bogged down in the face of only minimal resistance, Dahlgren's command was doomed. In retreat, Kilpatrick lost many of his troops through failure to defend his encampment properly, a feat he was to repeat later in the war while distracted in his tent by



Colonel Ulric Dahlgren Corbis

another young woman dressed in soldier's gear. His retreat in his nightclothes became infamous as Kilpatrick's Shirt-tail Stredaddle.

These subplots and many others like them cry out for more space, especially because the mystery of the Dahlgren affair itself seems remarkably cut and

dried. The odd way Jefferson Davis intervened personally in the disposition of Dahlgren's body leads one to suspect an ulterior motive, a suspicion reinforced by the signature on the infamous orders themselves, in which Dahlgren appears to have misspelled his own name.

It seems unlikely that a gentleman like Dahlgren, who treated his Confederate prisoners with unusual courtesy, would have agreed to murder Davis, another family friend. But one wonders why Davis would have needed the pretext of an assassination plot to launch his own terrorism. If Dahlgren had reached Libby Prison, he would have discovered that the Confederates had placed tons of powder underneath it, and were willing to blow three city blocks to smithereens rather than allow the Yankees to take it. By 1864 the Civil War had already evolved into the nightmare of guerrilla terrorism and violence against civilians that help mark its place in history as the first "modern" war. Schultz's account serves as an entertaining starting point for anyone interested in the stranger symptoms of that total war.

Fiction/Richard Skinner

The setting for Don Hannah's first novel is New Brunswick, a vast Canadian territory made up of intractable areas of woodland and seashore.

Inhabiting the small town of Membertouche, a cluster of people are separated both from each other and from themselves by equally large spaces.

The novel's strong point is these characters whose interior lives, built on daydreams, regrets, memories and hopes, are built up to such a degree that they overwhelm any ability for action. Rather than subject them to the vagaries of plot, Hannah divides his cast into those who attempt to move out of their locked mindset and those who are forever shackled by it.

The first four chapters introduce us to the main

characters, all of whom wake up to face a day they have lived a thousand times before. Sandy Whyte is the town's Catholic priest who has spent his reclusive life repressing his homosexuality. Until, that is, the day he spots a beautiful boy wandering through his orchard. Margaret, an elderly spinster, was once courted by Sandy and still shares his religious fervour.

Now working on an anti-abortion hotline, Margaret picks up a call from a pregnant teenager, Annette, who is unsure of what to do. Her boyfriend, Chaleur, is more certain. He wants her to keep the baby and spends his time roaming the woodlands, blocking out memories of his dead father by drinking cheap rye.

The other set of characters is the Maurice family, an assortment

of oddjobs and misfits whose various family entanglements could be a book in itself. The only daughter, Gloria, is Sandy's house cleaner, and is preparing the family for the return of her sick brother, Raymond.

THE WISE AND FOOLISH VIRGINS

by Don Hannah

Grainger £9.95, 426 pages

As the narrative progresses, the various threads of these lives are woven together to caustic effect. Indeed, Hannah sets up so many emotional difficulties between the characters that one of the book's chief pleasures is seeing which ones are resolved. Wisely, not all of them are, and this refusal to conclude the book on a pat note makes the

characters more than mere schemata.

What binds the characters together is their shared sense of displacement. None is in their "correct" place and each seeks some kind of human contact. What drives them is love, whether it be physical, emotional or religious. Tragedy strikes when they stumble towards these dreams and realise, once they get there, that their dream is another person's nightmare.

Often, these dreams are actually visitations. Sandy spends hours gazing at the stained glass in his church and at Van Eyck's *Adoration of the Lamb*. Raymond, ill with AIDS, suffers hallucinations of older, better times and Gloria claims she saw, as a child, the Virgin Mary in a spruce grove, glowing "like a TV set in a dark room". The way in

which religious belief operates in daily life is a leitmotif.

Hannah is best known as a playwright, but you'd never know it – his sentences are clear, crisp and pleasingly organised. The smalltown life in such remoteness is captured well and the rising suspense is never bungled. But the book is overlong. Hannah's heavy use of internal monologues constricts our point of view, but occasionally leads to longeurs. Several passages could have been excised without losing any depth of characterisation.

Luckily, these flaws can be overlooked by the skill with which Hannah manoeuvres his characters through the narrative. Pulled by love, fear or delusion, they forever move one step beyond themselves, towards a climax that is both shocking and inevitable.

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A strange sense of belonging

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A strange sense of belonging

On the centenary of Elizabeth Bowen's birth, Roy Foster re-assesses her achievement

Something interesting has been happening to the reputation of Elizabeth Bowen, who was born 100 years ago and died in 1973. Tomorrow night's *Bookmark* programme, directed by Sean O'Mordha (who has made memorable films about Beckett, Yeats and Joyce) with Rosie Alison as location director, marks another stage in her re-evaluation. No longer simply seen as a post-Blomfield literary mannerist, Bowen's reassessment began with Victoria Glendinning's biography 20 years ago. Now all her novels have been republished by Vintage; Deborah Warner is filming Bowen's elegiac novel of the Irish revolution, *The Last September*, from a screenplay by John Banville; the thesis writers have begun to flock in, and conferences in Ireland are devoted to her work. Indeed one of the aspects of Bowen which has begun to attract attention is her Irishness. She never doubted it, even if others did so on her behalf.

But it is a particular kind of belonging. She was born to a decaying Anglo-Irish Big House, spent a peripatetic orphaned youth in England and Ireland supervised by a committee of Ascendancy aunts, and lived a life between London literary salons and Bowen's Court in County Cork (which she filled with friends like Virginia Woolf, Iris Murdoch, Rosamund Lehmann and Isaiah Berlin). Her fiction is full of concealment, evasion and secrecy; in a characteristically defiant pronouncement she remarked: "I am dead against art's being self-expression." But one of the strengths of O'Mordha's subtle and atmospheric programme is that he shows the links between autobiography and art, and explores the several levels on which Bowen's topography is a territory of displacement and secrecy.

Her best-known novel, *The Death of the Heart*, gives the programme its title and is about the betrayal of an awkward adolescent girl at the hands of her smart, worldly-wise relatives. Her most commercially successful book was an astonishing evocation of wartime London, *The Heat of the Day*. Honourable attempts are periodically made to dramatise or film it, but the supercharged atmosphere, conveyed in prose of such languorous intensity that it sometimes trembles on the edge of self-parody, eludes interpreters.

In this and in her last experimental novels, her writing seems closer to Henry Green than most other contemporaries; but, always a risk-taker, she also strikes echoes of Anglo-Irish predecessors like Sheridan LeFanu or even Maria Edgeworth. All her books return to sensation, flamboyance, the thinning of the membrane between the real and the unreal; her ghost stories have a particular convincing earnestness, and again place her in a certain Irish tradition. She has a penchant for danger, which oddly

echoes in her life as well as her art. Not conventionally pretty, she was stylish and handsome; she also possessed a savage and slangy wit, which she exercised freely in her later novels. Despite an engaging stammer and an initially reticent manner, her personality could light up a room and magnetise people. Long after her death, her close friend Molly Keane remarked: "Elizabeth has never died"; for her friends she remained as forceful a presence as ever. Married young, and happily, to the educationist Alan Cameron, she believed that "guilt is squalid", and subsequently had passionate love affairs with the literary critic Humphrey House, the Irish writer Sean O'Faolain and the Canadian diplomat Charles Ritchie. These liaisons remained discreet; one of the most remarkable moments in O'Mordha's film comes when Julia O'Faolain reads out loud - with evident surprise - a 1937 letter of Bowen's

Bowen never doubted her Irishness, even if others did so on her behalf

announcing that she has fallen in love with Julia's father, casually mentioning his wife and daughter. (In another letter, Bowen angrily told House that his wife should be prepared to make some allowances: "I make plenty for her.")

Crossing borders and testing limits is a leitmotif of the novels, and this too reflects her displaced background. She described the Anglo-Irish as the "only children" of Irish history, spoiled, superficially self-confident but fundamentally at a loss. (Childless herself, she wrote with lacerating certainty about unhappy childhoods.) Her attachment to Ireland was fierce and possessive, but she also belonged elsewhere; during the war she wrote *Seven Winters*, a short book about her Dublin childhood and *Bowen's Court*, a long one about the history of her ancestral house in Cork, facing up to its origins in dispossession while affirming in every line her commitment to continuance. But the war, while inspiring some of her best writing, also provided her with an opportunity for the kind of barrier-crossing that was her métier; on her visits to neutral Ireland she took soundings from all manner of people, including politicians, and relayed confidential reports back to Whitehall on Irish morale and opinion.

This has long been known, but when I published extracts from the wartime reports (now in the Public Record Office) in an essay on Bowen some years ago I was surprised at the reaction. The word "spy" was bandied about and dis-



approval expressed by people who had already decided that her descent and background disqualified her from being a "real" Irish writer. This required ignoring the content of the missives, which included - inter alia - a powerful defence of Irish neutrality ("It would be more than hardship, it would be sheer disaster for this country, in its present growing stages and with its uncertain morale, to be involved in war") and some sharp home truths that cannot have been welcome to Ministry of Information ears ("The charge of 'disloyalty' against the Irish has always, given the plain facts of history, irritated me. I could wish that the English kept history in mind more, that the Irish kept it in mind less").

The whole involvement can be exaggerated. Her reports were never top secret and Bowen herself (always short of money, despite her elegant lifestyle) frugally recycled much of the material into articles for journals like the *New Statesman*. But the reactions point up a

residual ambiguity about where "Anglo-Irish" writers belong in Irish life, and - nowadays - in Irish memory. O'Mordha's film lingers on the pile of broken stones that is all that remains of Bowen's Court today. After her husband's death, financial pressures forced her to sell rapidly to a local man whom she thought would live in it, but he demolished it for building materials within the year. It was, according to Molly Keane, an agony to her. Bowen called it, bracingly, a "clean end", and her link with Ireland frayed from that point.

"From this landscape," she had written in *Bowen's Court*, "personal pain evaporates, as history evaporates." The locale of some of her greatest short stories is Irish. *The Last September* and *A World of Love* are completely Irish novels, while key scenes of *The House in Paris* and *The Heat of the Day* take place in Ireland; her autobiographical writings consummately convey the nuances, subtleties, bitter-nesses and exhilarations of Irish

life. "All my life I've been going backwards and forwards between Ireland and England and the Continent," she told an interviewer, "but that has never robbed me of any feeling of my nationality." She certainly deserves her current re-evaluation as a bravura stylist, an experimental novelist and a psychological analyst of devastating acuteness. But it is also relevant to celebrate the centenary of a quintessentially Irish person, whose understanding of herself and her background enabled an imaginatively differing worlds and compelling histories; often by crossing boundaries into the contradictory, the farouche and the uncanny. Her best work shimmers with this strangeness, and tomorrow's *Bookmark* film does it justice.

Bookmark - The Death of the Heart, BBC2, Sunday 8.00pm. Roy Foster is Carroll Professor of Irish History at Oxford and has written about Elizabeth Bowen in *Paddy and Mr Punch* (Penguin £9.99).

The shadow of fame

Adam Hopkins on a daughter's memories of Spain

In a book that often achieves great meditative beauty without false sentiment or gush, Lucia Graves, the only daughter of the poet Robert Graves, offers the story of her upbringing and adult years in Spain. She was raised on Majorca during the Franco dictatorship, and then married and lived close to Barcelona through Franco's later years and death and on into the times of freedom, the new democracy and the reawakening of the Catalan language and nationhood.

Graves's Spain, beginning with public stultification, mendacity and fierce repression, then flowering into a kind of muttering freedom tempered by this bitter past, becomes her own life story. The outward histories of sex, religion and politics, as manipulated by a semi-fascist church and government, and the slow liberation of her deeper thoughts from this hideous official repression make the present book a highly revealing account, not only of a woman's life, but of a whole extraordinary passage in one contemporary European country.

A WOMAN UNKNOWN: Voices from a Spanish Life by Lucia Graves
Vintage £18.99, 273 pages

The still and delightful surface of her childhood is quickly shaken into a bruised turbulence, like the Mediterranean in winter, by events both internal and external, but the political story at least has a happier outcome.

At a personal level, all might very easily have ended in misery and a rejection of Spain with Lucia Graves's divorce from her Catalan husband almost a decade ago and a late move to England. But on a recent visit to Barcelona to look after her mother while she had an eye operation, Lucia Graves - "a woman unknown" in the corridors of the hospital - quite unexpectedly began to re-experience and re-evaluate her Spanish past, deciding in the end it had not been entirely made up of futile years.

The narrative flowing from this second look at her life, short of her past identity as Spanish wife, mother, neighbourhood housewife, is filled not only with her own memories, her delicate perceptions and forthright analysis, but also with the stories of other Spanish women who have touched her life or occupied her thoughts.

One element of the book documents, powerfully and often painfully, the deeply structured repression of women by men, permeating women's deepest understandings of themselves. This, Lucia Graves implies, is even more a part of life in the Mediterranean than it is in northern Europe. She may have had a head start as the daughter of a writer whose *White Goddess* is a hefty tribute to the values implicit in female sensibility. But it should be said that Robert Graves himself makes only brief appearances in the book.

More unusual, and indeed illuminating, is the way in which the political and ideological story of Lucia

The worst you can say of this book is that the movement from section to section is sometimes rather mechanical and obvious, and themes are handled a little too discursively in places. Yet the text as a whole is subtle and collected. Lucia Graves is both a bookish person and a professional translator, moving without barriers between English, Spanish and Catalan. Indeed she has translated her father's books into these last two languages. She knows a thing or two about the resonance of words as well as their primary meanings, her own cool web of composition releasing more than it confines.

She is most subtle about identity and language, the rootedness of Spaniards, the terrible nostalgia and sense of exile felt by Spanish

The narrative is filled with stories of women who have touched her life

speakers (herself, on occasion) deprived of their linguistic and physical habitat. She is excellent on the Jews in Spain, the terrible sadness of their expulsion and the need, so strongly felt today, to revive their history. The book is also full of memorable short passages and vignettes, from childhood into adult life, while at the same time the voices of the "other" women are audible throughout. It should be read by everybody interested in Spain and in women's special history in the present century.

A rich vein of exploitation

The blood business has a lot to answer for, writes Max Wilkinson

When idealism and human greed are stirred together, the bad too often contaminates the good with devastating results. The story of blood transfusion is one of the saddest examples of recent times, and the infection in this case was much more than a moral metaphor.

The combination of cynicism, ignorance and desperation that allowed blood banks to become contaminated with hepatitis and then HIV has been described before. Still, it deserves to be better known. Douglas Starr has done a good job in pulling the threads of history, politics and science together, and weaving them into a racy narrative aimed at a wide audience.

His story starts with a 17th-century attempt to cure a violent madman by filling his veins with the "calming" blood of a calf. Nothing was known then of the immune reaction that would cause the body to react violently against incompatible blood. Nor was it understood that blood has no influence on character, racial distinctiveness or inheritance.

Such confusion was hardly surprising in an age that invested blood with an almost mystical significance. It is more remarkable that the error persisted well into this century, long after blood transfusion had become one

BLOOD: An Epic History of Medicine and Commerce by Douglas Starr
Little, Brown £18.99, 429 pages

overwhelming scientific evidence that there was no correlation between race and blood groups.

However, the Americans fell into the same trap with regard to black citizens. Their blood was unacceptable to the US military authorities until Pearl Harbor. Even after that disaster, the blood from blacks and whites was collected and labelled separately.

This supply constraint was to contribute to another costly error: the policy of relying exclusively on processed plasma rather than on whole blood for American wounded. Plasma was easier to transport and could be made to go further, but it

only gave temporary help to the severely wounded.

Among the best parts of this book are the heroic tales of those who tried to challenge or circumvent such follies of officialdom. Many thousands owe their lives to the determination of Dr Edward Churchill to arrange a supply of red corpuscles to US wounded. Other heroes include Janet Vaughan, who forced her way past the barricades of the UK Treasury to establish blood banks at the outbreak of war, and the unsung heroes of the Leningrad transfusion service, who kept the blood flowing in appalling conditions.

Starr brings his story alive with vivid examples and eyewitness accounts. He conveys the broad panorama of the world at war through the focus of the story of blood. This is not a book for the squeamish, but Starr handles the distressing details with a fair degree of clinical restraint.

When the war was over, the queues of volunteer donors melted away in the US. Advances in the technology of splitting blood into its different components, and ever increasing demand for transfusions, soon turned blood collection into a world-wide business, albeit with voluntary roots. But in the US particularly, blood-processing companies had to turn more and more to suppliers who paid donors. Even before the hazards of HIV

contamination became known, the dire consequences should have been predicted.

Some did indeed warn against the use of blood collected from down-and-outs, drug-addicts and other disease-prone groups who sold their blood from desperation. Some of the collectors were cynical exploiters with little regard for welfare or hygiene. Starr gives a good account of the way in which US free-trade principles allowed these backstreet bleeders to prosper, while the more respectable blood collection agencies bickered among themselves.

The sad result is well known. By the time the danger was understood, many large blood banks had become contaminated. Lawsuits and criminal prosecutions will be little help to the tens of thousands of haemophiliacs and others who contracted hepatitis from tainted blood in the 1970s, nor those who were later to be infected with HIV.

Fortunately blood supplies are much safer now, but Starr's book should be a powerful warning against complacency. Too often in the past, new dangers have arisen just when the old ones seemed to be overcome. And when such a danger is spotted, there are powerful incentives for those making money from an \$18bn-a-year industry to walk by on the other side.

Failure of the arts

This year's Walter Neurath Lecture, the 30th, was delivered by historian Eric Hobsbawm, and it can hardly have come as happy news to those involved in the contemporary art scene. His title, *Behind the Times: The Decline and Fall of the Twentieth-Century Avant-Garde*, sets the tone for an all-out attack on the visual arts in our century. In an age when "the fundamental assumption behind the various movements of the avant-garde in the arts... was that relations between art and society had changed fundamentally" the visual arts, alone among the various art forms, have "patently failed" in rethinking their role, Hobsbawm contends. After the mid-1960s, the revolutionary urge ran out of steam, "leaving behind avant-gardes which became a sub-department of marketing", and from then onwards "the real revolution in the 20th-century arts was achieved... outside the range of the area formally recognised as 'art'." It was to be found in "the combined logic of technology and the mass market" - chiefly the cinema, but also in advertising, cartoons and other commercial forms that "converted the masses to



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daring innovations in visual perception, and which left the revolutionaries of the easel far behind, isolated and largely irrelevant."

One of the few contemporary movements to escape Hobsbawm's derision is Pop Art. The significance of Andy Warhol's mechanically repeated images - like *Marilyn* (1967, above) - is

that the artist makes himself just a "passive, accepting conduit for the world experienced through media-saturation". It has no revolutionary zeal, no agenda; it "simply recognised that there was no longer a place for traditional artist-produced visual art in the consumer society, except, of course, as a way of making

money". By accepting the world, they expressed the flavour of their times, Hobsbawm claims, more faithfully. Thus today's emphasis is on conceptualism: "something that even unskilled humans can do, and camcorders can't - having ideas".

Behind the Times, Thames & Hudson, £7.95

ARTS

Drama of the uncertainty principle

Alastair Macaulay talks to Michael Frayn about his much-lauded play

Last year, two contrasting plays by Michael Frayn opened in London: *Copenhagen* at the National Theatre and *Alarms and Excursions* at the Gielgud Theatre in the West End. At some deep stylistic level, the two in fact are clearly the product of the same mind: in each, you see how Frayn keeps ringing the changes on one basic idea, looking at it from one angle after another, spinning variations on one theme like a classical composer.

But *Alarms and Excursions* is a divertimento (or collection of short divertimenti), and shows us once more the Frayn who for many years has been one of London's leading comic writers. It is

'You could say that all my work, at any rate all my plays, are informed by my reading of philosophy'

Copenhagen is a dark, sober and severe sonata of a play, showing us the less familiar and more ruthlessly serious Frayn - that has now won two awards. It has already been seen - albeit for a brief season - in the US, in New Haven; and rehearsals are currently under way for its first production in French, in Paris. Next week, after running for eight months at the National Theatre, the original production - with the original three actors - opens in the West End at the Duchess Theatre.

I met Frayn, the day after *Copenhagen* had won the South Bank Award, at the orderly studio flat in Camden Town where he works. He began writing plays in his early 30s; he is now in his mid-60s. Frayn's comic plays, his fiction, and his comic sketches had led me to expect somebody restless, self-conscious, wisecracking, and energetic.

Instead I find him - at least over the space of some 30 minutes - calm, contemplative, slightly severe and somewhat remote. He often leaves an extended silence at the end of one paragraph of thought, and will start a new one without anxiety when he is ready. His hair is a handsome white; his bone-structure pronounced and strong; his accent aristocratic.

What put *Copenhagen* into his head as an idea for a play? It has

three characters - the Danish physicist Niels Bohr, his wife Margrethe, and the German physicist Werner Heisenberg and it shuttles in time between 1941 and the present timeless zone in which they are, all three, dead. Very early on, Heisenberg says (to the air): "Now we're all dead and gone, yes, and there are only two things the world remembers about me. One is the uncertainty principle, and the other is my mysterious visit to Niels Bohr in Copenhagen in 1941. Everyone understands uncertainty. Or thinks he does. No one understands my trip to Copenhagen..."

The irony - that everyone understands uncertainty while nobody understands a factual event - is quintessentially Frayn. From this irony, he spins his play. The date, 1941, is important: Heisenberg had visited Bohr in Copenhagen before, and would do so later, but his decision to do so in 1941 has led to constant questioning.

"My education was in philosophy," says Frayn, "and anyone who's interested in philosophy has to be interested in the physics of the 1920s. So I knew about Bohr and Heisenberg. I'd read David Cassidy's biography of Heisenberg (titled *Uncertainty*, 1992) soon after it came out. Then I read Thomas Powers's book (*Heisenberg's War*, 1993), which interested me in the actual 1941 visit to Copenhagen."

"The play is about both motivation and uncertainty. Wittgenstein was the philosopher who showed how much uncertainty there could be in determining what's going on in one's own mind. Heisenberg's motivation for going to Copenhagen in 1941 could be a textbook example of this. So many people have speculated so much about it, and, though I favour some speculations more than others (I do think the evidence shows that Heisenberg was not trying to build a German atomic bomb, but I know that others read the evidence differently), I have left the play eventually open-ended."

After reading philosophy at Cambridge, Frayn moved into journalism, then into fiction and plays. "Plays certainly weren't a natural progression from my university experience: quite the opposite. I'd written for Footlights at Cambridge, and it didn't go well. That gave me sour grapes about theatre for several years. I wrote sketches; and some of the sketches sent up the whole business of theatre - of actors trying to remember their lines, of audiences determined to enjoy themselves. But eventually I



'Copenhagen is the first time I've consciously investigated motivation in a play': Michael Frayn

wrote two TV plays. Then a theatrical sketch, *Mixed Doubles*. When the New York producer Alex Cohen read it, he refused to handle it because it was filthy. Now he'd presented *The Homecoming* and several plays with far more shocking material than mine, so I had to find out why on earth this bothered him. It was because someone changed a baby's nappy onstage; he couldn't handle that."

Between 1978 and 1988, Frayn re-translated the four best-known Chekhov plays and also adapted the unwieldy *Platonov* into a play of his own, *Wild Honey*, and his versions have been widely acclaimed. "There have been lots of playwrights who've translated Chekhov without being able to

'Bohr was, notoriously, both inarticulate and inaudible! Nonetheless, everyone found him loveable'

read Russian, and there have been lots of Russian experts who've translated Chekhov without being able to write plays. My position, in that I could do both, was unique."

I asked if, like Alexander with no more worlds to conquer, he wept for more Chekhov to translate. "Well, I was often asked to translate *Ivanov*, but I always turned it down because I just

didn't think it worked very well as a play. And I must say that when I saw the Almeida version in 1987, David Hare's version made it work for the first time for me. He doesn't have Russian, and I think he removed some of the coarseness that had bothered me in the original, but he made it a wonderful play. It's actually better, I think, than the original."

Were there dramaturgical lessons Frayn had learnt from working on Chekhov? "Oh yes. You can't help but absorb. To translate a play, you must learn how it works. Chekhov, you learn, is all plot. It may seem just to happen when you hear it, but that's the trick. When you analyse it, you find that every word, every line, plays its role in the narrative whole."

Frayn once wrote that all his plays were "views of the world". Is *Copenhagen* his first historical play? "It's my first based on historical reality," he replies. "I did write a fictitious one (*Batman*, 1978, later retitled *Liberty Hall*) about a meeting between Enid Blyton, Hugh Walpole, Geoffrey Winn and others, including the Russian, Kotschetoff. But, yes, this is my first one with real people who actually did meet and know each other. I found it very inhibiting at first to try catching the way they spoke. A very hard but interesting task especially catching Heisenberg, who has often been rendered as a formal and correct man in several books. But David Irving's book *The Virus House* (1987) helped. In interview there, Heisenberg is much more relaxed." (Frayn has written a detailed 20-page account of his sources and interpretations in the postscript to the published text of *Copenhagen*.) "Bohr was easier, because his motto was always to explain his work, to

use his own motto, 'in plain language'. Mind you, his concept of 'plain language' was a special one: it was the language of classical mechanics. And he was, notoriously, both inarticulate and inaudible! Nonetheless, everyone found him loveable. To him, conversation was fundamental to work; and he really did talk everything through with Margrethe, who typed everything he wrote. She had to be part of the play too, because she was such a part of Bohr's work and because she too had her own view of Heisenberg, more severe and less familial than her husband's."

Has he had feedback from those with specialist or personal knowledge of the characters? "I've had an absolutely massive postbag, a lot of it from scientists. I was especially pleased to hear from Heisenberg's colleague Carl von Weizsäcker, whom I mention several times in the play. He's in his 90s now, and hadn't seen the play. But he'd read it, and his brain's in good working order. He had one or two things to say, but he liked it and was very interested. I also heard from Gustav Born, who felt with some justice that I underplayed or misrepresented the part played by his father Max Born; the truth is that I wasn't able to do full justice to all the characters concerned in a play of this nature. And quite a number of people wrote in - all very courteously. I must say - to point out the odd error, and one really blatant mathematical assertion, that somehow the scientific adviser I had used to check my text and I myself had both allowed to slip through all our re-readings of the text."

Is *Copenhagen* Frayn's first scientific play? "Yes." And is it his

first philosophical play? "Oh, you could say that all my work, at any rate all my plays, are informed by my reading of philosophy. *Alphabetical Order* is about, or can be said to be about, the interdependence of order and disorder. I wrote *Noises Off* primarily to entertain, and I'm more than happy if people get nothing but entertainment from it. But you could say it was about the phenomenology of appearances. *Benefactors* is, you could certainly say, about the interchange of ideas of good and bad. But *Copenhagen* is the first time I've

'The play is about two things that were fundamental to these scientists: conversation and observation'

consciously investigated motivation in a play."

We talk for a while about "the scientific play" as a genre: it goes back to Brecht's *Galileo* and doubtless further. Did *Copenhagen* involve much homework? "Yes: the research was intense. And I kept coming across material from which other plays could be written."

And did the structure of *Copenhagen* - it has solely three characters, and seldom do any of them leave the stage during its

two acts - take a long time to evolve? "Yes: I had to do a lot of writing before I could see what kind of play it was going to be."

The play is in part a *recherche du temps perdu*, and its characters commune between several time-zones as they speak. Frayn tells me of the problems this has caused with the first French production, now in rehearsal. "The director tried to indicate all the sections that occur in the past with expanses of white tulle, and eventually, the actors rebelled. Michael Blakemore has just gone over to take over."

I mention that the spatial structure of the play seems itself scientific: the three characters behave like particles, often with two of them connecting, while a third observes, or like planet and satellite. Within the play, each character observes the others, especially Margrethe. "He scarcely notices," she says early on of Heisenberg. "I watch him discreetly from behind my expression of polite interest as he struggles on." Frayn remarks: "the play is about two things that were fundamental to these scientists: conversation and observation." That is why, in the original production, Peter J. Davison designed the stage so that some of the audience sat in a bank of several tiers behind and around the idea of observation. The idea will be maintained, though with fewer tiers, at the Duchess Theatre.

"We had a very good six-week rehearsal period on the original production, but, after the fifth week, the actors said 'We've done all we can, but now we need an audience.'"

'Copenhagen' opens at the Duchess Theatre on Monday.

Fruits of going native in Java

Antony Thorncroft follows in the footsteps of the obsessive collector Sir Stamford Raffles

Sir Stamford Raffles is best known today as the founder of Singapore, that whirlpool of successful commerce. It is a legacy that would have surprised him. Raffles was probably the worst businessman ever to achieve high office in the East India Company. His main concerns during his years in South East Asia were politicking, mainly as Governor of Java, and collecting.

He was an obsessive collector, accumulating vast boards of botanical specimens, animals, weapons,

coins, masks, puppets, gamelans, indeed all the objects that dominated Javanese life in the early 19th century - and now. He sent his finds to his learned friends back in England and in 1828, after the death of his wife, the Raffles Collection ended up, rather grudgingly, in the British Museum. It now forms the focus of the first ever exhibition based on the achievements of this remarkable man.

In Raffles's day an individual could still stamp his indelible mark on large tracts of the globe. For

South East Asia it was Raffles. During the wars with Napoleon the Dutch possessions there were administered by the British, or rather by the East India Company. At the age of 30 Raffles was Governor of Java. He liked what he saw.

In fact he went completely native, regarding Javanese culture as the equal of the classic civilisations of Greece and Rome. He had little inclination to hand the island back to Holland. When his hand was forced, he founded Singapore as a rival trading base.

The exhibition tells you all you need to know about Raffles, the collector, in an hour. Here are the shadow puppets used in the shows which mingled entertainment and religion; the masks that covered the faces of the dancers; one full size gamelan orchestra (and one model); botanical specimens; everything in fact that attracted Raffles's unquenchable curiosity.

He was a liberal administrator, ending tortures administered by the Dutch - the show displays some of the foot crushing devices that had been routinely used - and allowing the local aristocracy to wear their weapons in public again - many



Painted carvings of men and women portraying the Javanese caste system, commissioned by Raffles

kris are on display. Sometimes he was misinformed - the 13th century Javanese coins he sent back were in fact magical tokens - but in the main he convinced himself (if not his friends back in England) that Javanese artifacts were to be taken seriously. In

some cases, such as Batik textiles, it has needed almost two centuries for Raffles to be proved right. This is an object-led exhibition, which is perhaps a pity. Only incidentally do you pick up on the tragedies, and the strangeness, of Raffles's life. He lost four chil-

dren and his first wife to the Javanese climate - he regarded Singapore as his new baby. His greatest collection of local specimens was lost when the ship taking it to England sank off the Javanese coast in 1824. He was treated like an absolute ruler, keeping a tame

tiger and a champagne drinking bear in his residence while discreetly finding careers for the slaves given to him by local rulers: he always campaigned resolutely against slavery.

If Raffles, the man, has to be squeezed out of the exhibition, so do the politics of the time. Raffles tried to be a good East India Company man and to create profits for his masters, but he was always failed: after his premature death in 1826, when his widow asked for a pension, she received a bill from the company for lost revenues.

Some of Raffles's entrepreneurial ventures were bizarre. He opened up a trade route to Japan, sending to Nagasaki an elephant which had to be returned through lack of a docking space. The cargo also included ground-down Egyptian mummies, which were reckoned to be a panacea in Japan.

The consumption of human flesh was something of a *leitmotiv* in Raffles's life. He was obsessed by cannibalism among the Batak, who ate alive anyone breaking their sexual taboos. Raffles was loathe to admit that his much admired Javanese could be cannibals, so he treated the practice as a local form of capital punishment.

The exhibition is spaciouly displayed, with the gamelan orchestra occupying the centre of the room. Like many of the artifacts, it will entrance the few fanatics. The same goes for the vast array of masks and the splendid case devoted to puppetry: the hairy red-faced puppets were the Javanese take on the British. There is

gamelan music and a video showing a puppeteer at work, and an unusual collection of carvings of men and women which, through their dress, portray the Javanese caste system.

Although built around what survived of Raffles's collection the man himself is a forceful presence - as are his wives. One of the most affecting exhibits is the mourning bracelet in which Lady Raffles kept locks of hair of her four dead children. Raffles died soon after his return to England, at the age of 46 in 1826. It was scarcely a wasted life. As well as Singapore, he founded one other flourishing institution nearer home - London Zoo, of which he was the first president. His company may have been disappointed with Raffles, but he served humanity well.

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ARTS

The master of painterly games

William Packer admires an elegant retrospective of the delightfully ambiguous work of Patrick Caulfield

It has become the received wisdom to speak of Patrick Caulfield as one of the most distinguished of living painters, which, in the light of a remarkable run of recent gallery shows of new work and now this full retrospective study, may well be true. He is certainly among the most distinctive, if hardly the most widely-known. Like Piero of the *commedia dell'arte*, his is the calm, impassive, ambiguous presence in the midst of hubbub. In another country, perhaps, he might have flourished more conspicuously, pushed onto the competitive international stage by critics and committees, as was done by the Americans with the likes of Andy Warhol and Roy Lichtenstein - with whose work Caulfield's bears more than a passing, if superficial, comparison: ironical, dispassionate, ambiguous.

But then again, such reticence may well have worked in the longer term to his advantage. Never a fast nor especially prolific worker, and subject from time to time to doubt, indecision and periods of inactivity, he has been free to follow his own path and develop at his own pace. There has never been a production line, a pot-boiler: each Caulfield show, though unmistakable in its Caulfield manner, had its surprises. It is the trajectory of that development that this retrospective traces, with a selection as elegantly economical as the work itself.

Now 63, Caulfield was one of the generation of artists that emerged to prominence in the late 1960s and early '70s, the Young British Artists of the day. From Chelsea School of Art he went on to the Royal College in 1969, a year behind such luminaries as Hockney, Kitaj, Peter Phillips, Derek Boshier and Allen Jones, and with them he soon found himself showing in the "Young Contemporaries", that heterodox, student-selected, much-lamented annual bazaar of an exhibition.

But it was the "New Generation" exhibition, which Bryan Robertson put on at Whitechapel in the spring of 1964, which also included Hockney, Boshier, Jones and Phillips among its dozen painters, that first put Caulfield before a wider public. It is with the work of this period that the show begins. While the differences from his later work are

clear enough, and a few rough edges evident, the essential preoccupations and practice that were to sustain his work throughout are clearly established. Here we find the apparent, deceptive disregard of surface quality and incident; here the delight in the banal, what Robertson, in his old catalogue note, called "the devalued motif - pictorial matter which... has become either vulgarised or dated, and is now... inert" - a souvenir pot, a post-card view of the bay, a head in the road. "But each (painting)", he concluded, "has an icon-like solemnity, though ambiguous as a Mona Lisa, and an individuality that sticks in the memory like a burr." That still holds true.

He knows how terrible these places are, in all their glory of plush and flock, potted palm and sensible formica

though the solemnity has always had to it, I would say, rather more of the wry and self-mocking than the po-faced quality of the famous smile.

There are few figures in the entire oeuvre - Delacroix's "Greece Expiring on the Ruins of Missolonghi" reduced to the simplicity of a poster; and an homage to Juan Gris, a bored waiter leaning through a hatch. Nor is there much in the way of landscape, which becomes increasingly, if it is there at all, the borrowed landscape and glimpses through the window of the world outside. Caulfield is the poet of the still-life and the interior - of bar and cafe and hotel foyer, of cluttered desk, laid table and buffet display; and of the inferred presence of watcher, perhaps, or passer-through; of the curious privacy of mundane public space.

He is the master of the particular detail that informs the whole, of the shadow cast just so, the glass on the table, the lamp in the corner. There is no painter like him in the evocation of unnatural light. He knows how terrible these things and places

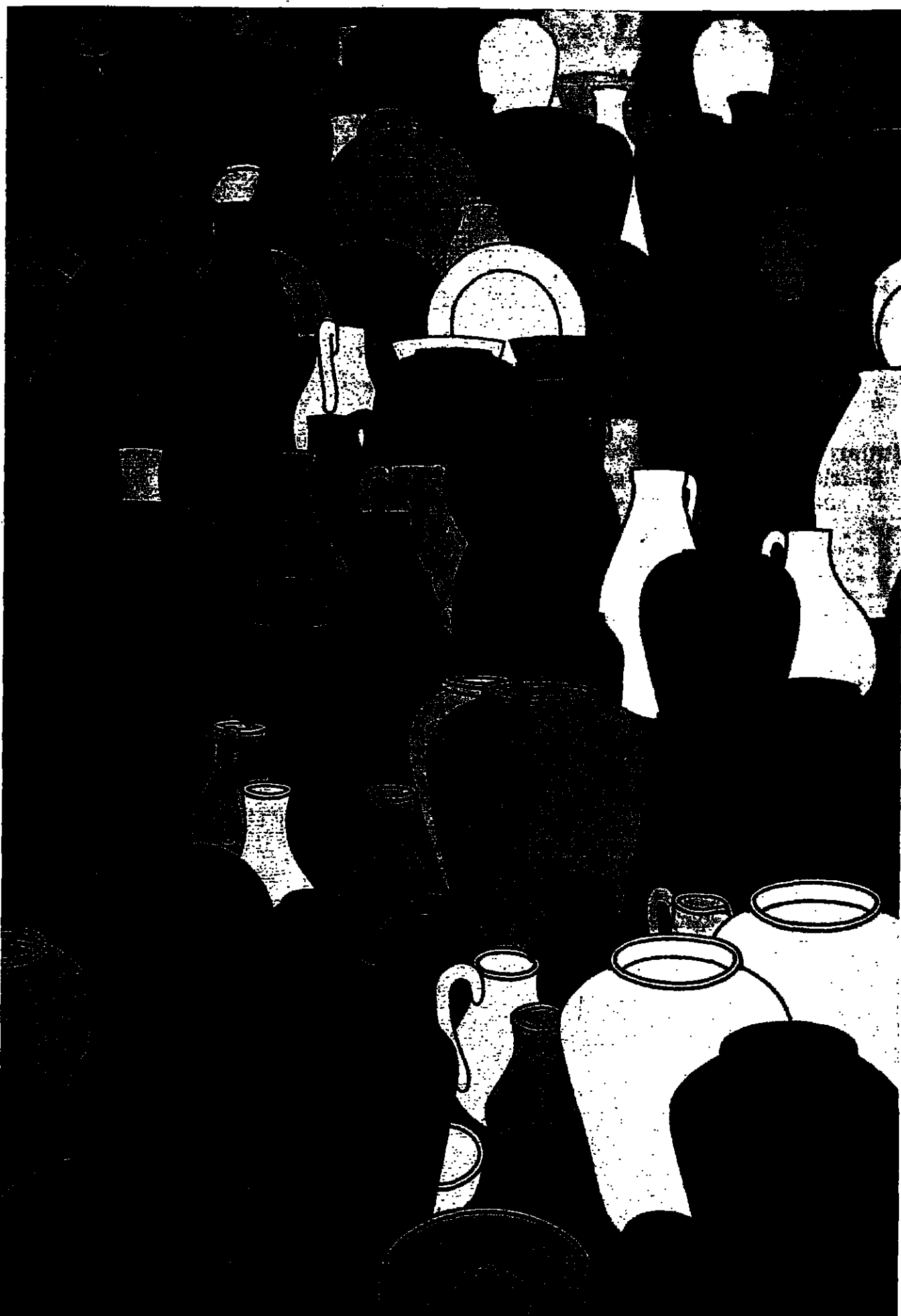
are, in all their glory of plush and flock, potted palms, spiky metal, dodgy murals and sensible formica, and how comfortable and reassuring, and he loves them for it.

But it is his way of doing it that is the more remarkable, for behind the so-deceptive mask of apparent simplicity, sits the most intelligent and refined of painters. We may think of him still as the painter of the black, unreflected outline, but it is a measure of his subtlety that we have hardly noticed he has not been working that outline now for some 20 years. Instead, surface and volume, and indeed the pictorial space itself, are now described not by any linear device, conventional or otherwise, but simply inferred by the relative disposition of plane and object - the table-top by the set of the glass, or the napkin laid upon it; the shift from floor to wall by the beam of light from the lamp, and the cast of the shadow.

All this goes on in a space ever more abstracted, as selective and fragmentary as a cubist collage, yet a space and the objects in it that recognise ourselves with a hirsion of awful familiarity. We look again, and it is barely more than the flat impersonal surface of the paint and choice, impassive colour. The most recent work is even more schematic and abstracted, a judicious scatter of objects across a colour-field, with perhaps the surface itself disrupted by an arbitrary element of relief stuck on, for the painted image to play with and deny. The painterly games go on, as fascinating as ever.

Patrick Caulfield left school at 15 with no qualifications that today would allow him anywhere near an art school. In his present, true distinction as an artist, he is as fine an advertisement as we could have for the value of an education in art as it once was, followed not for the sake of ersatz diplomas and degrees, but for itself.

The Hayward Gallery, South Bank, London SW1, until April 11, then on to the Musée National, Luxembourg, the Calouste Gulbenkian Foundation, Lisbon, and the Yale Centre for British Art, New Haven, Connecticut; organised by the Hayward Gallery in association with the British Council; sponsored by Habitat.



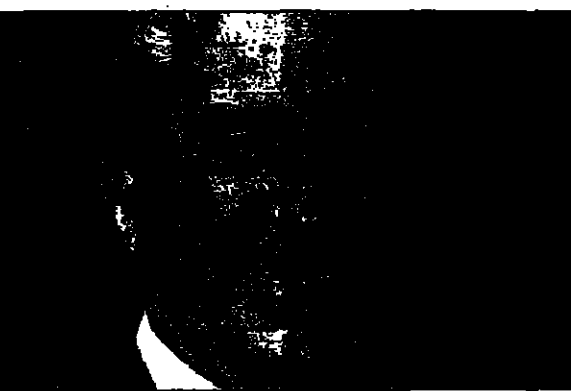
Behind the so-deceptive mask of simplicity sits the most intelligent and refined of painters: 'Pottery', 1969, by Patrick Caulfield

A number of unhappy radio enthusiasts - listeners, presenters, journalists, academics and politicians, ranging from Tariq Ali to Jonathan Miller - have come together to try to launch Radio Einstein. At an exploratory meeting in London last weekend it became clear that while they may have different ideas about what programmes to make, they share one reason for their dissatisfaction: the "dumbing down" of broadcasting.

It is not always subject matter that is the problem but the attitude of the broadcasters. We are assumed to have the attention span of gnats, to need chatty, though poorly informed, presenters before we can take in anything, and a coating of disco music in order to digest it. Large parts of television are now dumbed down to a level at least as low as that of radio. However, we are still blessed in Britain with one television network which, by and large, caters for adults and, generally speaking, does not assume that we are idiots: BBC2. The same can be said of quite a lot of the programming on Channel 4, though not all, unfortunately.

Television/Christopher Dunkley

History in our time



Jeremy Isaacs: adult material

"Today BBC2 begins the second part of *Cold War*, a series which is huge by contemporary standards: 24 programmes, each lasting 50 minutes, telling the story of power politics from the end of the second world war to the fall of the Berlin wall. This is grown-up television, as those who watched any of

the first 11 programmes will know. Financed by Ted Turner, the American media mogul who created CNN, it takes the same approach to telling the story of post-war history as was taken by the makers of the exemplary series *The World At War* to their period. This is scarcely surprising given that the man in charge has been the same in both cases: Jeremy Isaacs.

One of the difficulties with such a series is that subjects refuse to fit into neat chronological sections. Thus, today's programme deals with Robert McNamara's favourite baby, MAD - Mutual Assured Destruction - the seemingly insane idea underlying nuclear deterrence, and the period covered is 1960 to 1972. That includes the Cuban missile crisis, and some preview writers have already expressed disapproval of the small space in the programme given to this. Presumably they missed Programme 10 which was devoted specifically to the Cuban crisis, the difficulty being that Cuba and MAD didn't happen to cover exactly the same years.

For anyone in middle age the fascination of these programmes is that they tell the story of our early lives.

Today's programme with its account of the Soviet nuclear test programme in 1961 brings vividly to mind the day when, as a schoolboy, I rose from the gutter outside the Russian embassy in London, where we were protesting against the resumption of testing in the atmosphere, to point out to the firemen, who had been called by the police to turn their hoses on us, that the Fire Brigades Union had only recently backed unilateral disarmament. They drove away.

Programme Number 14 in two weeks time shows extraordinarily poignant pictures from Prague in 1968, including an almost unbearable adrenalin rush as I recalled the night when, as late-stop on the news desk at *The Times*, I had to decide whether to get the hierarchy of the newspaper out of bed as tape reports began to claim that Russian armour was crossing the Czech border. That night we ran an unprecedented number of editions and went to bed believing we could be on the brink of world war three, and might all be dead in 48 hours.

Watching *The Cold War* you experience again the fear that so often entered our lives in those years, but also the sense of right and wrong, and us, and them, which was then so strong. One of the greatest values of the series is that, with its even-handed approach, it shows that people on both sides of the power divide felt the same. Americans believed they were resisting the evil empire in its drive towards world domination. So did the Russians. We hear from bomber pilots, nuclear submarine commanders, and of course politicians, on both sides, and what they say is uncannily similar: they were acting for the good of mankind, doing their duty, ready to press the button if told to, and to die in the cause if necessary.

The phrase "adult material" has become a euphemism, but *The Cold War* really is just that, and admirably so.

Last Saturday's Radio 4 play commemorated to the day the 350th anniversary of Charles I's execution and was heralded as "total theatre". This, puzzlingly, stemmed from the inclusion of material that actually made it more of a documentary: verbatim slices of the "Putney debates" of two years earlier, when Cromwell and the army council thrashed out what to do about king and parliament. The result, for all its high intelligence and sense of occasion (produced by both Piers Plowright and Martin Jenkins, two of the most distinguished names in radio) was a hybrid. One could have wished either for dramatic shaping and adaptation or a more rigorous documentary approach with the historical background filled in.

Justice or Murder still made engrossing listening. There was a certain irony in casting the eminent Irish actor T.P. McKenna and Gerard Murphy as prominent Cromwellians; did they reflect on the Protector's bloody deeds that made the next generation's bitter conflict between King James and King Billy - and the troubles of subsequent centuries - so inevitable? The contemporary words - of the Putney debates, the king's trial, diaries and correspondence - were interspersed with academic opinion: the real thing, mercifully free of the Jardines, Starkeys and their coffee-table ilk usually called on by Radio 4.

Margaret Drabble underlined the muscular prose spoken by the army leaders, both magnificently imposing and unashamedly tackling great abstractions, drawing equally on the language of the Authorised Version and the resonance of the playhouse. A Cambridge historian pointed out that the king's trial was illegal: Charles constantly wrong-footed the tribunal, most of the judges who signed his condemnation had not turned up for the proceedings; it was a sham trial of the sort depressingly familiar in our own century.

Two years earlier the debates had shown Crom-

Radio/Martin Hoyle

Revolution revisited

well as the voice of moderation. One feels that he was aware of the hard-headed business interests that supported the parliamentary side; no wonder the real radicals, including the Levellers, felt betrayed by the underlying respect for private property that prevented them from sweeping the old order entirely away - one fanatic, not unsurprisingly, would plot to kill both Cromwell and Charles II.

The shadow of clashes between old and new Labour fell amusingly across this page of history, and influence won out. Even more intriguing was Cromwell's eventual decision to do away with parliament and the Lords, though that came later. He aimed for a hand-picked upper chamber, you remember, that not even he could get away with...

Cromwell came over as a more complex figure than often imagined, steeping himself in the scriptures throughout 1648, seeking convincing precedents in Old Testament prophets destroying unrighteous kings. The awe in which God's anointed was still unwillingly held was illustrated by Cromwell turning white, apparently overcome by the sight of his royal prisoner arriving for trial, the full implication of the world turned upside down sinking in...

Charles emerged as personally a good man, fatally devoted to his family (his determination to pass on full prerogatives to his son hampered his freedom of negotiation with his captors), as charming and disastrous as the whole Stuart dynasty, and as obstinately convinced of divinely-sanctioned rightness as his grandmother, Mary Queen of Scots, with much the same result.

There were vividly human moments: the wife of the

parliamentary general Fairfax bursting out against Cromwell and in favour of the king during the trial; the coincidence that the collect for the day, read to the royal prisoner before execution, was the passage about Pilate releasing Barabbas and condemning Jesus. Charles' serene, but it must be admitted paternalistic, speech from the scaffold was drowned out by the army's drummers. The soldiers promptly sold his blood and

hair and chips of the block as souvenirs.

All this was fascinating, though the production made it sound like a collection of well-enunciated actors sounding actorish. Ironically, the most intense performer, Anton Lesser, sounded too young and lightweight for the fire-breathing parliamentary preacher Peters. There was an odd lack of atmosphere in what should have been crowd scenes, the impression of acting students shouting on cue. But for all its shortcomings, this was an absorbing 90 minutes that prompted reflections on the nature of revolutions where tyrannies become tyrants and old values soon resurface and old orders return. The trouble with revolutions is that they revolve.

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How to Spend It

That old black magic

Do St Valentine proud, says Holly Finn, and don't let red go to your head.

It is never easy being in love, but it was particularly tough during the reign of Roman Emperor Claudius II. The empire was at war, as usual, and control-freak Claudius had forbidden his Roman soldiers to get engaged or married. He was convinced that, once betrothed, the men would prefer to stay at home with their wives and families than go off and fight.

Whether or not the emperor was correct in his reasoning, his law stood, stymieing thousands of Roman inamorata. Until a priest named Valentine took pity on the passionate, that is. Defying the emperor's decree, the priest married desperate young lovers in secret. He was arrested, imprisoned, and beheaded on February 14.

St Valentine's day is not really about bright red, perfectly symmetrical heart-shaped gifts. If the priest teaches us anything, it is that really deep feelings break the rules (and sometimes the neck). It is imaginative and defiant; it does not do what it is told.

So why give your love something samey on the 14th? Why not paint next Sunday another colour altogether. How about black? Think of it like this: a stretch of talc-white sand is lovely, but a beach of pitch black volcanic rock is so much more exotic. Spaghetti's good, but black squid ink linguine is better. Madame X in a crimson dress might have looked fine, but only in black could she have appeared quite so superior.

Now is the time to have dark thoughts. While white, cream or pink pearls are always in fashion, black pearls are from a parallel universe (and also from Mikimoto and David Morris). Strung into necklaces, set into rings, or dangling from diamonds at the ear, black pearls - Tahitian in particular - suggest oysters that were in a mood. They are acceptable gone naughty.

Art deco rings - of onyx, a few diamonds, perhaps a tourmaline (from Stephen Webster and Geoff Rowlandson) - have the look of mischief as well, particularly on long fingers wrapped tight around a black-beaded Judith Leiber evening bag with gold lining.

It is not really the surface, but the underlayers that matter - in love and in presents. A set of black lace underwear and stockings are a clear, and cunning, choice.

But if you are going to buy such a traditional gift, you really have to buy the best.

La Perla lingerie is a name with which any man worth his Y chromosome should be familiar. Nothing compares with the outrageously intricate lace, the flattering cut, the second-skin fit, and the intimate touches (soft felt backing behind clasps so skin is not irritated, but pampered).

Fogal's Fascination stay-up stockings are just as luxe. In Graphite - a lavender-tinted grey-black - these are the sexiest way to swathe a leg.

Chocolate has a different sort of visceral impact. Though it is also a traditional present, it can be

Black pearls suggest oysters that were in a mood; they are acceptable gone naughty

swoon-worthy - if it is Scharffen Berger, the La Perla of cocoa. Founded in 1996 by a maker of sparkling wine and a physician, Scharffen Berger is a rarity among American chocolate makers: both a newcomer to the art and a producer of highest quality. Its pure dark chocolate bar - 70 per cent cacao - comes wrapped in yellow paper, with foil lining and all the promise of a Wonka Bar. Your love will feel lucky to get one (or

more).

Some things are always black, always the right choice for one's beloved. Consider: a pair of black Pantherella cashmere socks for the cold-footed, a Mont Blanc fountain pen and inkwell for the writer (and Luddite) at heart, perhaps a set of Smythson stationery engraved with a tiny black heart just for fun, a three-tiered black leather cufflink box from Tanner Krolle for the frequent flier, or a set of slate paperweights, engraved with an X or an O (depending on how you are feeling) for the flighty.

Other things, normally found in colour, become extraordinary when blackened. Connolly's two sizes of London A to Zs are not covered in a map-muddle of red, yellow and blue. Instead, they are bound in smoothest black leather and make finding your way a pure pleasure. Two Crabtree and Evelyn soaps - called Siena and Vanilla - are nothing near the pallid cleansers you might expect. Dark and potent, these charm the cilia of man or woman.

Francis Muller's Master Calendar watch is no pale face, either. Unexpectedly dark and handsome, it is a timekeeper that will make a man forget everything but the hour. And, from Lalique, a collectable figurine called "nu assis" is one you might expect to be glassy-clear. Hand-crafted from black crystal with a satin finish, it seems far weightier, even emotive.

Flowers on the dark side can be more than the obvious as well. A bouquet of Black Magic roses, deep black-red Calla lilies, Gueld-er-rose, Ruscus and Berried

Ivy - gathered together by Paula Pryke, tells someone you think they are worth more than the standard floral dozen.

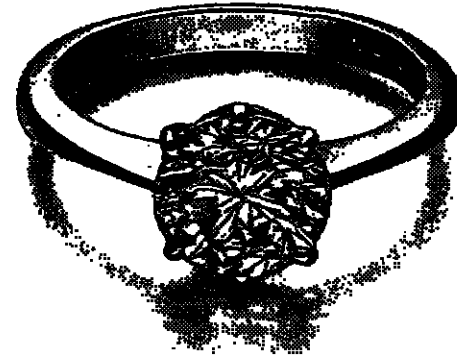
Black food? Everyone adores it, once they have been given a chance to try. And is not chance one of the best presents of all? Everyone's gulped down Sevruga, but a tin of Osetra caviar, 30g, is something else. Only the most steely would be able to stop sniffing eight wafer-thin slices of Black Pig Ham. Also known as pata negra, it is a delicacy that puts the finest, most potent prosciutto to shame. (For a more musselsy evening, giving the utensil instead of the meal is an idea. A black paella pan suggests heapings of food, and food - as we know - is love.)

If for some reason you are not feeling hardy of heart and the 14th looks to be a truly black Sunday, the "Heartbreak" breakable box might give you a laugh. Choose a gift for inside (key ring, bottle opener, etc), and Stephen Kinhorn will build a heart-shaped black box around it. The recipient must then smash the plaster package to get to the gift. It sends a message, certainly. As would sending a Little Black Book from Smythson, perhaps with all the pages ripped out?

Finally, the last word in giving black is literal. Call Cannon's Spa in the City of London (Cousin Lane, EC4, 0171-298 9797) and give your love the absence of light - a gift certificate for flotation. For 45 minutes, he or she will lie in an oversized bathtub filled with seriously salted water, with the door shut, the lights off, mellow music on. In there, you are as buoyant as you would be in the Dead Sea. Even more so afterwards. You are relaxed as a corpse, temporarily, then you come back to life. Three-quarters of an hour in the tank feels like five hours' sleep. One further step in the dark, which love always is: find a hotel room near St Ives, Cornwall for the night before August 11. That Wednesday morning there will be a total solar eclipse. Best seen from the coast, it is the last such black morning that will be visible in Britain until 2090. (A special exhibition called "As Dark as Light" will be on display at the Tate Gallery St Ives, from May 21, 01736 796543).

How romantic, literally to give someone the moon. That is the most St Valentine or anyone could ask for.

Clockwise from top left:
Welsh slate hand cut paperweights, £34.50 each, by Papyrus, 0171-584 8022; "Sienna" soap, £10 for 3, from Crabtree and Evelyn, stockists: 0171-603 1611; cashmere socks, £49, by Pantherella, stockists: 0116 263 1111; Scharffen Berger pure dark chocolate, \$4 for 3oz, to order: 001 650 866 3300; "Blue steel" pebble pen, £11, from Divertimenti, tel: 0171-581 8066; "nu assis" black crystal figurine, £145, by Lalique, stockists: 0171-499 8228; 18ct rose gold tonneau master calendar watch, £11,380, by Franck Muller from Theo Fennell, tel: 0171-591 5000; south sea pearl ring in platinum setting, £4,200, by Mikimoto, tel: 0171-629 5300; Venice coulotte with G-string and suspenders, £88, and balconette bra, £120, both by La Perla, inquiries: 0171-245 0527; white gold and black south sea baroque pearl earrings, £380, by Manguette, tel: 0171-937 2897; inkwell, £299, by Mont Blanc, stockists: 0181 232 3000; "heartbreak" breakable package, £10.50 and chrome heart bottle opener keyring, £11.95, both by Stephen Einhorn, mail order: 0171-359 4977; Little Black Book, £12.50, by Smythson, tel: 0171-629 8558; south sea pearl on a rope thong, £700, by Mikimoto, as before; Tahitian pearls with fan shape diamond drop earrings, £87,000 by David Morris, tel: 0171-499 2200; rectangular evening bag in black rhinestone, £335, by Judith Leiber, from Asprey & Garrard, tel: 0171-493 6767; 3 stack cuff leather stud box, £200, by Tanner Krolle, stockists: 0171-359 0031; Tahitian pearls with diamond ball clasp, £51,000, by David Morris, as before; diamond and onyx diamond ring, £1,875, by Stephen Webster, tel: 0171-486 6575; row of leatherbound mini A-Z, £45, and midi, £85, both by Connolly, tel: 0171-235 3883; black pig ham, £18.25 per quarter pound from Harvey Nichols Food Market, tel: 0171-235 5000; bouquet featuring Calla lilies and Black Magic Roses, £150, by Paula Pryke, tel: 0171-837 7336; Mont Blanc Meisterstück traveller fountain pen, £259, as before; writing paper with black heart motif, £22.50 for 100 sheets, to order from Smythson bespoke stationery dept, as before; 30g tin of Osetra caviar from Caviar Kaspia, delivery and order: 0171-493 0879 Photographs by Han Lee de Boer



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True love really does go to great lengths, as revealed in George Lucas' 1982 black and white movie Voyage to the Moon. One film

How to Spend It

Throw a pot and have a cocktail

Forget earnest embroidery, says Fiona Murphy. Sotheby's Contemporary Decorative Arts exhibition is the debut party for new and improved crafts

Tree - co-sies! The patriarchs of the British crafts movement would thunder with righteous rage if they walked into Sotheby's selling exhibition.

Contemporary Decorative Arts. Fitness for purpose, truth to materials, the "ethical pot": where have all the grails gone? At this British crafts show, it is clear that the earnest has completely given way to the playful. Honest brown pots have been shoved into the corner to make room for high-tech materials. The public monument has become the personal statement. Instead of sombre textiles there are jewelled scarves for the cute urban sophisticate. Luxury is a bark-warming tree-cosy.

Sales at the Sotheby's show will depend on a glamour that is the antithesis of "crafts" as they have been known.

Curated by Janice Blackburn, who worked for many years at the Saatchi Gallery, the exhibition shows a taste not just

for a pretty necklace, but for works verging on art.

The show opens with dramatic scene-setters. Dresses cut from wood veneer - seeming half-tree, half-woman and swelling with life - hang in the entrance. The swirls of wood grain suggest a body beneath, with a faint green coming through the dull gold surface of lacy wood. Victoria Metcalf's garments (£975) are conceptual, based on the dress patterns used by her grandfather when he made clothes for Marlene Dietrich, and are overwritten with barely visible nursery rhymes in Czech.

Throughout the show, clothes - socks knitted in fine metal wire, the perfect Chanel suit made from anaglypta wallpaper (£975) - seem to have a life of their own. Tiziana Bendall-Brunello, for instance, uses antique baby clothes and shoes, covers them in porcelain slip and fires them in distorted shapes (from £1,050). Some have the arched back of a baby in a rage, some are straining to one side.

The jewellery may well be the most popular section with buyers, particularly those who favour minimalist style.

Emma Paolozzi's delicate but profuse festoons of pearls and silver sea creatures on necklaces and bracelets (bracelets £530) have an old-fashioned innocence. Others, like Boshka's fluffy feathered neck collar with sequins and pink pearls bobbing on the end of nylon filaments, called Barbara Cartland 2000 (£130), have a timeless eccentricity.

The glass-makers come closest to creating fine art, in proving that craftspeople are filling the gap left behind by the many artists who now seem to prefer statements over skill. Bruno Romanelli's columns of glass, formed behind with an impression of a man's body (£1,765) and Lesley Wildman's glass and metal horn glittering from inside (£1,500), are pieces of sculpture, as taut and evocative as any in a fine art gallery.

The myth that crafts are all about embroidered aprons has always been unjust. The best craftspeople have been swimming in the same Pop and countercultural waters as everyone else in the arts.

The Sotheby's exhibition is important for snapping a picture of crafts today. The Pleasures of Peace exhibition at the Sainsbury Centre for the Visual Arts near Norwich films crafts in the making. It is the first post-second world war retrospective bringing together important examples of Britain's craft output in the second half of the 20th century.

The passionate commitment and artistry that went into craft is largely unknown and unsung. This exhibition charts not just how the work evolved from the painstakingly hand-blocked textiles and monumental pots of the 1930s to the ironic self-referential art of the 1970s, but, just as important, who commissioned it and why.

It was curator Tanya Harrod's inspired decision to group work, wherever possible, by patrons rather than artists. This focus allows the exhibition to be not just an art show, but an intelligent social history of Britain. It is accompanied by Harrod's comprehensive and perceptive book, *The Crafts in Britain in the 20th Century* (Yale, £45). No one has told the whole story before.

The show begins by commenting on the persistence of Britain's self-image, always 100 years or so behind the reality. In 1942 (as Americans geared up to fight with the Allies) the British government wanted to rally support in the US, so it sent an exhibition of studio pottery and corn dollies across the U-boat-infested waters of the Atlantic, hoping to give the impression of a hard-pressed but chipper rural nation. Presumably, there wasn't much confidence in the appeal of urban cultural life.

Work commissioned for schools in the 1950s is even more telling. The directors of education in charge of the huge school-building programme at the time believed that art would be an improving influence on children. There is a beautiful stained glass window of Saint Guthlac by Margaret Traherne for a devotional room in a Leicestershire school. (How many children can have spent time in Devotional Rooms?) William Newland did delightful pottery figures, one of *The Flight into Egypt* in a style inspired by Picasso's ceramics which was supposed to appeal to the childish mind.

After the rebuilding of Coventry Cathedral (it was completed in 1962), the passion for art in public projects bled out of British life and there followed a period of rather restrained good taste.

Craft was now required to be rational and provide inspiration for industrial design. More fun were the disagreements between potters. The throwers, in the tradition of Bernard Leach, disapproved of the builders like Gordon Baldwin, whose splendid totemic piece is shown, huge with stubby arms, looking like primitive art. Then Pop Art strikes. There is Perspex jewellery and an

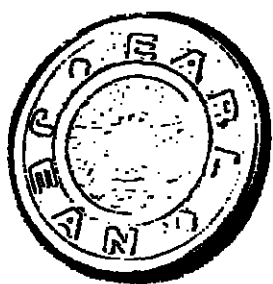
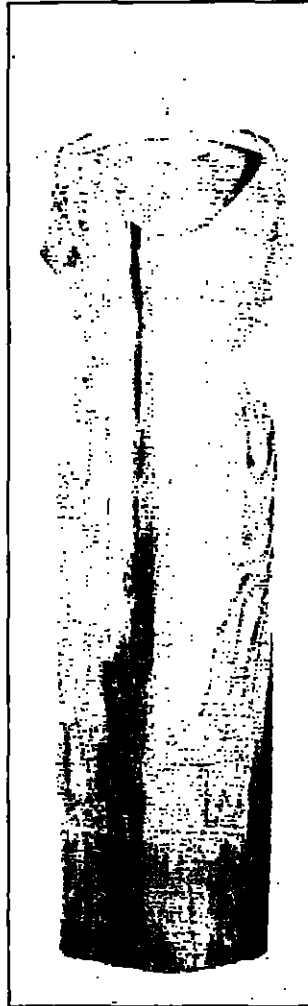
outrageous psychedelic chair wrapped in puffy multi-coloured stockings by John Makepeace. Harrod's exhibition stops soon after 1971, when the crafts moved emphatically towards fine art. Elizabeth Fritsch made "optical pots" in 1975, using the colours of Piero della Francesca and playing with perspective in the surface decoration. David Poston made a necklace/manacle inscribed "Diamonds, Gold and Slavery are Forever" (1975). But by the late 1980s, Harrod believes, craft had become "treasure".

There is faint condescension in the word. Of course it's true that, for all the shimmer, intelligence and irony of today's crafts, the passion of a St Guthlac has been lost. But that shouldn't put you off the Contemporary Decorative Arts exhibition at Sotheby's. For one week, three large rooms are brimming with the best of British craft today.

• The Pleasures of Peace, Sainsbury Centre for the Visual Arts, University of East Anglia, Norwich, runs to April 18 and tours to Brighton and Aberdeen in the summer.

Clockwise from top
• "Glass Face" in pâte de verre, by Eva Ritchie (prices from £450-£525)
• Wooden veneer dress, 1975, by Victoria Metcalf
• Knitted "tree-cosies", from £120-£180, by Freddie Robbins
• "Scarf that wants to become a necklace" in silver, £215, by Boshka.

All from Contemporary Decorative Arts
A Selling Exhibition at Sotheby's, 34-35 New Bond Street, London W1
Tel: 0171-252 5000
Runs until February 11



These jeans are right on the button

Holly Finn delights in her discovery. Hip-hugging and discreet, Earls are the new un-brand

I call it the Pink Panther moment. It's the instant preferences change - like when I suddenly became disenchanted with the cartoon Pink Panther and besotted by the Peter Sellers hilariously human "That is not my dog" version. Same thing happened to me just last week, with blue jeans.

When I was growing up, jeans were not a part of my family's ethic. Canvas, khaki and corduroy were the cartoon I lived with, and loved. Then for a while I tried Levi's and Gap. They were unconvincing. Now I've found genius. Earls Jeans is Peter Sellers.

A friend and I saw a pair of Earls in a magazine. He suggested we trek up to Harvey Nichols and try some on. Vani, vidl, charge it. It's that simple. These jeans are a perfect fit.

"I worked really hard to make them tasteful," says designer Suzanne Freilwald of the £95 stretch variety (98 per cent cotton, 2 per cent lycra) I bought. In them, my legs, which are already long, look 2ft longer. They've got the cavalier cool of a film star who just flew in on Concorde, and the feel of Sunday night in your favourite leggings. Beat that. The colour is dark indigo, the stitching pumpkin-orange.

Internet companies start in garages: Earls Jeans started in a bathroom. Originally from Atlanta, Georgia, Freilwald was

forever in search of the perfect pair of blues: low-slung, slim-cut, and wide enough to slip over her boots. She couldn't find any, moved to Los Angeles and, at her then-boyfriend's suggestion, started making them herself in 1995.

At first, the prototypes occupied a big shelf in the bathroom, but after a month, they spilled out into the living room, dining room, bedroom, and on to the hippest hips in LA - those of actresses Minnie Driver, Heather Graham and Courtney Cox.

Now the jeans are constructed at one of the 30 or so denim factories in and around Los Angeles. Stiff fabric is stitched together, rinsed in cold water with no softener, then dried normally. The result is jeans that fit go-lovely, and \$100 sales in 1998 for a company that started with only \$2,000.

You don't have to sport cowboy boots to appreciate the cut of Earls, and you don't have to be petite. If you're a tall woman, Earls are manna from the West Coast. Despite being only 5ft 5in herself, Freilwald was adamant that the cut be long and narrow. "Short people can hem," she says. "Tall people can't lengthen."

The designer is convinced that women are getting taller, that clothes aren't, and that "big, huge companies just don't care," she says. With the pluck of

the best Silicon Valley renegade, Freilwald blithely pits her company against the biggest names.

Guess, Versace - while keeping the business small and close. Her designs and her opinions remain untitled.

You are not branded when you wear a pair of Earls. There is no swirly stitching on your back pocket, no tag pinned to your rump. Only the single black and gold enamel button above the zip gives the name away. "I just don't like a brand name," says Freilwald. "I think it's kind of cheap, kind of tacky."

Good brands put it on the inside, she thinks, bad brands on the outside. "I know what I have," she says. "I don't have to put it on the outside."

From the very start, people sought out Earls. There was no hard sell. There was no catalogue, either; no press coverage, no "imagining". "And people got it right away - from the garment," says Freilwald. "It just emanated its feeling."

And it just keeps emanating, in all the right places. Today, Earls are sold in Los Angeles, New York and London. Les Galeries Lafayette and Colette in Paris have them on order.

The indigo jeans, both stretch and non-stretch, are the core of the collection. There are also versions in corduroy and velvet, and this spring Freilwald is introducing black and white

jeans in stretch, as well as pairs in chambray that will be "hip-huggery, beat-up". Hip-huggery. That's precisely what my pair of Earls are; it's how they felt the moment I put them on.

Earl is a funny name for a fashion cult-leader, but it's a good one. As his wife remembers, Ben Freilwald chose it because "it's kinda redneck - your car mechanic is called Earl - and it's kinda classy, royal."

And it fits on the label. I had a distant and beastly relative called Earl, so I've always loathed the name. Now, though, my new pair of dark blue, low-slung, slim-cut jeans are not only making me move differently, but think differently too. I'm even starting to like the name. Another Pink Panther moment, courtesy of my Earls.

□ Earls Jeans are available in London from: Harvey Nichols, 67 Brompton Road, SW3 (tel: 0171-252 5000); Whistles, 12-14 St Christopher's Place, W1 (inquiries: 0171-481 4484); Koh Samui, 65 Monmouth Street, WC2 (tel: 0171 240 4280).

□ In New York from: Scoop, 1275 Third Avenue, NY 10012 (tel: 001 212 535 5577); Barneys, 680 Madison Avenue, NY 10021 (tel: 001 212 826 8900).

□ In Los Angeles: Fred Segal (tel: 001 323 655 3734); Barneys, Beverly Hills (tel: 001 310 276 4400).

□ Earls Jeans head office: 001 213 465 6902.



First catch y
Christopher McElroy has

...the first catch of the season...
...the first catch of the season...
...the first catch of the season...



Feast for
Nicholas Woodsworth lets

...the first catch of the season...
...the first catch of the season...
...the first catch of the season...

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FOOD AND DRINK

Wild food

First catch your squirrel...

Christopher McCooley has been gathering his meals off the road

Hundreds of thousands of wild animals and birds are killed on Britain's roads every year. Most of the victims become part of the food chain, eaten by crows or foxes, but, often, there is no reason why the meat should not provide a tasty meal for humans as well.

Whenever it is safe to do so, I always pull over to check out a corpse. Of course, being hit at speed by half a ton or so of metal and glass is not the ideal way of preparing meat for the table. But a quick inspection will suffice to see whether it is consigned to the car boot or the hedge.

Maggots would put me off but not necessarily pecked-out eyes. Maggots suggest death was some time ago, whereas eyes are usually the first things crows remove. A gamey smell is OK, but anything stronger or more unpleasant is not worth the risk. Signs of a fresh kill are feathers still blowing about. On

a number of occasions I have actually seen a car in front of me hit a bird. If there is wet blood, that is to say it has not coagulated, and the corpse is limp and still warm to the touch, this suggests a recent death. Rigor mortis usually sets in between four and six hours after death.

If you are inspecting an animal such as rabbit, check that the haunch (leg) is firm and has enough meat on it to provide a portion for a meal. If it is a bird, such as wood pigeon, then feel for a plump breast - they can get very thin in winter when food is scarce. Anything scrawny, too bony or with signs of disease or weakness, discard.

Roadkill victims, of course, have not been shot. Lead pellets can put off some people who would otherwise be happy to eat a rabbit or pheasant. Most wild animals, by definition, have led a natural life with a healthy diet of what is available locally. Unlike most other meat, wild

meat is free of growth-enhancing hormones and chemicals - the animals and birds have not been fed supposedly scientifically engineered "animal" feed containing goodness knows what.

The squirrel and onion were then put in a casserole and covered with cider

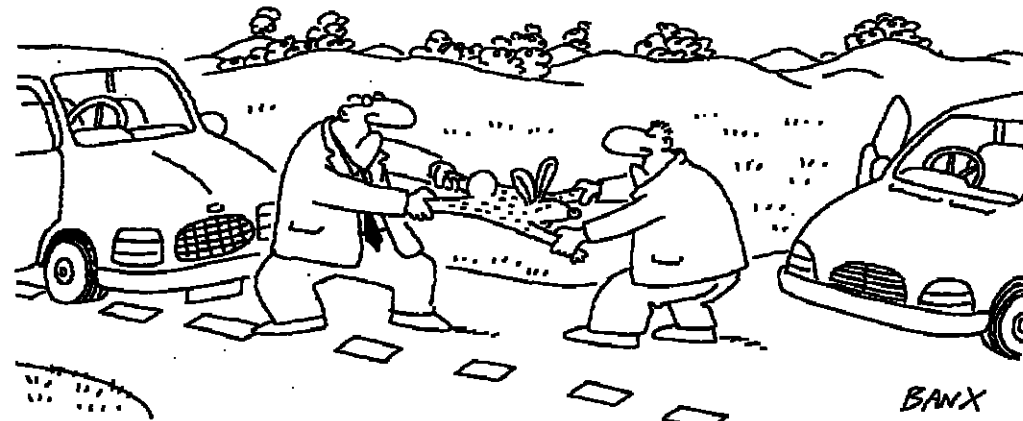
In areas where game is reared for shooting, animal and bird road casualties are very common, particularly in the early months of the season, October and November, say, when the birds have just been released from pens. I have never found partridges or mallard on the roadside but pheasants a plenty.

They really are rather stupid when it comes to the Highway Code.

Rabbits are killed on the roads year-round, as are squirrels. In the breeding season the females of both species may be milky but that is not to say you or your pets cannot eat the meat. A half-grown rabbit is wonderfully tender.

At the end of the winter, when their stores of hidden nuts have been depleted, squirrels tend to be too scrawny to make a worthwhile meal. Ideally they should be eaten in November as they would have spent the past few weeks putting on fat from eating all manner of good natural food: acorns, chestnuts, apples, berries.

They are harder to skin than rabbits but worth the effort. The back and haunches provide the best meat - there is hardly anything on the front end so this can be discarded or used to make stock. This is how I cooked my



last squirrel. The two haunches, still pinned together, were marinated in cider for a couple of hours. Then I fried it gently in olive oil to brown the meat and used up the rest of the oil frying a chopped onion.

The squirrel and onion were then put in a casserole dish and covered with the cider and some thick chicken stock made from the remains of a Sunday roast. I added chunks of apple, potato, carrots and a couple of leeks and seasoned it with black pepper and a bay-leaf and a little chopped fresh garlic.

It was then cooked in a medium oven for an hour. The

meat was light-coloured and came off the bone easily; squirrel has a slightly stronger flavour than rabbit but when casserolled like this is delicious.

If the bird or beast has been badly mangled then it is probably best left alone. But sometimes a cut of meat can be saved - a single hind leg of a rabbit, the breast meat of a wood pigeon, for example. I usually barbecue it.

A marinade for barbecued roadkill can help to insure that the meat does not dry out. One of my favourites has an Oriental flavour, so here it is. Mix half soy sauce with half water (or

white wine or sake). Add a tablespoon of olive oil and some grated black pepper. Crush and grate some root ginger and add this and the juice produced to the liquid with a chopped onion.

Mix well and marinate the cuts of meat in it for several hours before cooking on the barbecue. Baste with the marinade from time to time. Do not baste with olive oil as this tends to drip, causing the charcoal to flare up and scorch the meat.

Roadkills are free meals and, by eating these creatures, you not only honour them but you ensure that their lives were not wasted.

Bookshelf

History at half price

Those interested in historic cookery books, but daunted by the prices of first editions, should take note of two publishers who specialise in facsimile editions.

Prospect Books (tel: 01803-712259, fax 01803-712311) carries a splendid list, including *First Catch Your Hare, the art of cookery made plain and easy*, by Hannah Glasse, the Georgian housewife's Delia Smith, who really did make cooking plainer and easier.

As Antony Thornicroft wrote on January 16 in these pages, a first edition could be worth thousands of pounds. Prospect's facsimile, at less than £25, is supplemented by recipes which the author added to the fifth edition, plus introductory essays and biographical notes.

The company also publishes the erudite food-lovers' newsletter, *Petis Propos Culinares*, and transcripts of the annual Oxford symposium on food and cookery.

Southover Press (tel: 01273 473038), winner of a special Glenfiddich award last year, has just brought out a facsimile of the first (1881) edition of *Beeton's Book of Household Management*. (Note that it was called *Beeton's*, not *Mrs Beeton's* when first published. Mr Samuel Beeton being the publisher and his wife the editor.)

"I thought it was time," says Southover's Ann Bagnall, "to rescue Isabella once again from all the terrible publications that come out in her name." The facsimile costs £29.99, a snip compared to the first edition volume sold at Sotheby's last month for £1,207.

Philippe Davenport

Cooking invariably involves a voyage into the unknown - even the most experienced chefs never quite know how a recipe will taste - but in two new intriguing cookbooks the physical journeys involved have been extensive, too.

Bernard Lusiana is a classically trained French chef who, after stints in some of his country's top kitchens, took off to Poland four years ago and is now executive chef of the Hotel Bristol in Warsaw. With Mary Piminska he has

written *Another Landscape Revealed*, (£20, 146 pages).

"There was a golden age of Polish cooking in the early 20th century," Lusiana said on a visit to London. "There was such an abundance of good produce that Poland used to export 7,000kg of black truffles to France a year. But it all disappeared during the wars and under the Communists and no one knows where the truffles used to be found."

In trying to revive the best Polish dishes, Lusiana encountered a new challenge. "As a chef in France, whenever I wanted something, all I had to do was find the best supplier and place my order. In Warsaw there was no market."

"Whenever I needed something new I had to start from the very beginning, find the people who might be interested in producing what I wanted and encourage them all the way."

The renaissance of Malinowa Restaurant in the Hotel Bristol, growing Polish pride in their native cooking, and this book are the fruits of Lusiana's journey. It is available from Books for Cooks, Notting Hill Gate, London W11 (tel: 0171-221 1992); The Cook's Bookshop, Edinburgh (tel: 0131-226 4445) and direct from the publishers' sales director, Tadeusz Maciejewski in Warsaw (fax +48 22 6510973). *Nicholas Lander*

Growing up in Fort Bliss, Texas, John Thorne's favourite pastime was eating and reading in bed. But this love of food was transformed into a love of cooking when the owner of a secondhand furniture store in Manhattan sold him an old frying pan for 75 cents.

As Thorne learnt to cook he began, from a position of complete ignorance, to question everything he read or was told. One of the great pleasures of reading his *Outlaw Cook* (£16, 378 pages), just published in the UK, is that you feel as though you are learning with the author. No condescension or finger-wagging there.

Thorne begins a fascinating journey with a series of enticingly named chapters, such as *Meatball Metaphysics*, *Russians and Mushrooms*, *Potato Pancake Primer*, and *On Not Being a Good Cook*. *NZ*



An elderly man piles harvested olives on to a tarpaulin: a way of life practised for centuries throughout the Mediterranean

Feast for the eyes and nose

Nicholas Woodsworth lets the humble olive sustain him on a journey through Morocco

In the sunny markets of southern Europe, different stalls always draw different customers. Some market-goers are drawn to neat piles of goats' cheese, some to iced banks of fish, some to colourful pyramids of fruit and vegetables. I am drawn to olives.

At a good olive stand you will have a dozen different types or more, each varying in colour and size and place of origin and manner of preparation. You will also have a cheerful stall-holder who will have you taste first this kind, then that.

I like all kinds. Fat and glistening or parched and wrinkled, piled high-and-dry in shallow tubs or lying half-drowned in barrels of brine, few products are as evocative of the sun and soil of the Mediterranean world as the humble olive.

The olives I came across high above the Straits of Gibraltar in Tangier's central market were not really humble at all. With their talent for the subtle use of spices and preserves, Moroccan olive-makers were providing a feast for the eyes and noses of market-goers long before their olives got

anywhere near a tagine bowl.

The olives - jet black, chocolatey brown, ruddy pink and, yes, olive green - were just part of the appeal. Pickled garlic, cumin, chilli peppers, fresh coriander, chopped parsley, fennel and preserved lemon peel were only some of the herbs and spices I could make out in these pungent, highly-seasoned mixtures.

Such tempting morsels easily stood their ground against that tangy tapo, the anchovy-stuffed olive of Spain. I immediately bought a bag to sustain me during a long drive over the Rif mountains. By the time I had wound my way down into the southern foothills and the dusty town of Taounate, my olives were gone. On the other hand, I had only to look out of the car window to behold more olives than I had ever seen in my life.

North Africa may not have been growing olives as long as some areas in the Mediterranean basin - on its eastern shores the fruit been pressed for its oil for at least 5,000 years. In Roman mythology it was Hercules who, in travelling around

the Mediterranean performing his 12 labours, was charged by the gods with spreading the olive tree.

In fact, it was the Romans themselves who did the job, importing to their colonies the grape and grain as well, and transforming north Africa into a great larder of empire. The spread of civilisation through the ancient world can be traced along Egyptian, Phoenician, and Roman routes of trade in olive oil.

Perhaps so, I thought, gazing about, but this was pushing it a bit far. As far as I could see, descending to the valley bottoms and rising on narrow terraces to the top of the hills, was nothing but olive trees.

There was no other crop growing there - in those rocky and arid hills olive trees were even planted for miles along the highway for their shade. One reason the olive has been so successful over the centuries is that it thrives where other plants will not - fearing only frost, it survives poor, flinty soils, drought-like conditions and minimum human attention.

No wonder the farmers of Taounate throw a thanksgiving festival in honour of the olive each year.

On I drove, down into the wide farming valley between the Rif and the Atlas mountains, ever more astonished at the beauty of these sweeping, biblical landscapes.

With their wheat-fields and groves of silvery-green olives, with their stone houses starkly silhouetted on the hillsides, they reminded me of Andalucia, of Tuscany, or scenes near my own home in Provence. All Mediterranean lands share something in common.

But in the Moroccan countryside life has remained simpler, poorer, and closer to nature's basic elements.

Some 25 miles from the ancient imperial walled city of Fes, in the hills above the small market town of Bir Tam Tam, I stopped again by olive trees. Here, I knew, I was seeing a way of life practised for centuries throughout the Mediterranean.

The fields of rust-red earth

The atmosphere was almost overpowering, with the rich and heavy smell of fresh olive oil

I walked through bare and stubby - their wheat crop had been harvested months ago. But in this early winter season they were productive none the less - spaced 30 yards apart and loaded with olives that in recent weeks had turned from immature green to ripe black, stood the knotted, twisted boughs of olive trees.

One I came across carried a much heavier cargo - an entire family. While smaller and lighter children clambered high about the branches of the tree, rapidly stripping it of olives and throwing them on to a plastic sheet spread below, farmer Jamil Mohammed was loading a drowsing donkey with the fruit.

He noticed my interest, invited me to help, and

before long I was picking olives like everyone else. Even ripe they were hard and bullet-like. I bit into one, and Jamil smiled when I made a face - it was bitter and very unpleasant.

"At least two weeks soaking in fresh water and another two weeks pickling in brine and lemon slices," he told me. "That is how my wife makes them." Jamil sells most of the olives from his 220 trees - each yields about 45lb of fruit - in the market in Bir Tam Tam. But every year he holds back a tonne or so, some for preparing table olives, but most for pressing for olive oil.

I accompanied him to a nearby hill-top to a small building where Bou Ali, his neighbour, runs the local olive mill. I had expected something old and simple, but nothing as old and simple as this.

Inside, in an atmosphere almost overpowering with the rich and heavy smell of fresh-pressed oil, a hinkered horse was plodding around a deep stone basin. It was harnessed to a boom on the far end of which, attached to a vertical axle protruding from the centre of the basin, sat an upright, 4ft-high millstone. As the horse went endlessly about - I calculated it was making some 50 miles a day without ever leaving the building - a great, sludgy mass of olives became more and more finely crushed.

Taking me to the back of the building, Bou Ali showed me the second part of the operation, the pressing itself. This involved not a horse for motive energy but an ancient and massive tree-trunk with one end raised off the ground. In a frame

underneath the trunk lay a stack of shallow grass baskets, each filled with crushed olive paste. When the tree trunk was lowered on a wooden screw and its full weight exerted on the baskets, olive oil began dribbling through their tight weave and down into a stone tub.

It was a long, slow and not very efficient procedure. There was no hydraulic pressing or chemical extraction, no modern technologies. Gazing with a professional eye at the new, still cloudy liquid, Bou Ali told me 200lb of olives gave him only about four gallons of oil. "This is the way we have always done it in the village," he said.

Back at Jamil's simple stone house his wife had brought out a tray of sweet mint tea and the mid-morning meal. It was nothing more than *harra* - flat rounds of unleavened bread, made from the wheat of his fields - and a large bowl of clear, green-gold, fruity-smelling olive oil.

"We could not live without it," Jamil said. I did as he and his family do several times a day - I broke the bread, stirred a piece around the oil for a second or two, and popped it into my mouth. Jamil smiled again. He counts himself lucky - for Moroccan peasant-farmers like him, there is not one staff of life, but two. Moroccan olive oil is almost impossible to obtain in the UK - and airlines are not very keen, for obvious reasons, on you carrying live bottles in your suitcase. For a list of Moroccan olive oil exporters please fax Khalil Stevens at the Weekend FT on 0171 873-3322.

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FOOD AND DRINK

Cookery

Shanks for a lovely memory

Philippa Davenport picks a winning winter warmer

Ham hocks, also known as gammon knuckles, are ungrainy to look at but they are one of my favourite cuts, full of flavour and sticky with a welcome ratio of fat to lean. They also happen to be blessedly cheap - no mean consideration when you are counting the cost of Christmas and cold weather appetites grow.

Like all pork meats, their deliciousness depends on the provenance of the pig. What you want is a traditional breed, a pig that has rooted happily during an unhurried life, then been dispatched with kindly speed.

Welfare is reflected in eating quality. Cruelty, whether inflicted deliberately or unthinkingly, can cause chemical changes in an animal, and pigment from distressed or fearful beasts can be very disagreeable indeed.

It seems daft that it is legal for British retailers to sell pork produced under conditions that are illegal for British pig producers to employ. And both doty and unpatriotic that the British army - whose appetite for marching on a traditional egg-and-bacon breakfast is huge - does not buy British but relies on cheaper bacon supplies imported from countries where fewer restrictions are placed on pig production and welfare.

Enough about the pig. My subject today is meant to be lamb. In particular lamb shanks, another cut of which I am very fond, and again a cut that is agreeably cheap. Shanks are of course the ovine equivalent of ham hocks: the bony extremities of the leg, rich in flavour, muscular and well lubricated with fat. Just right for bringing cheer to February.

Shanks can come from leg or shoulder. They can seem

difficult to buy, but every sheep has four shanks, so persist. Some butchers cut the shanks from large legs of lamb to make the leg joints easier to fit into the roasting pan. Others are more ready to cut off shoulder shanks. Ask nicely and an obliging butcher will oblige, but don't advertise the fact to all your friends or demand may exceed supply in your locale, and prices start soaring.

Knowing my great liking for lamb shanks, my butcher regularly stashes away these offcuts in his freezer for me. I collect when half a dozen or so have accumulated, and the Sunday roast is dropped in favour of a sticky braise. Though it is rich, filling and wonderfully tasty, there is not a great deal of meat on a lamb shank. So it is wise to allow one per person.

There is something very appealing about having a little joint to oneself, like being given a whole grouse, and if an ungainly member of the family fails to do his or her portion full justice, the cook can always wash the leftovers well afterwards, and make a broth-cum-stew with the bones and meat scraps plus root vegetables, barley and an enlivening splash of cider vinegar.

Rich meats benefit from the addition of something sharpish. With ham hocks, I tend to choose a mustard-based accompaniment. For lamb shanks, I lean towards capers, citrus or vinegar, and the counterfoil of an earthy ingredient as well.

Think of braised lamb shanks with butter beans and caper sauce; lamb shanks with chick peas and balsamic tomato sauce finished with snippets of salt anchovy; or lamb shanks with salt-pickled lemons, spinach and aubergine on a bed of couscous or rice.



Chris Small, of Aldridge Butchers, Ilford, Essex, inspects a lamb carcass

David Arnold

Lamb with lemons, aubergine and spinach (serves four)

film it with olive oil and brown the lamb shanks all over. Remove them and fizzle the chopped onion briefly. Meanwhile scrape the flesh from the pickled lemons, discard it and chop the skin finely.

Stir the bruised cumin and coriander seeds into the onion. Add the whole garlic cloves, sprinkle on the turmeric and chopped pickled lemon peel. Stir in 150ml water plus the salt-pickled lemon juice. As soon as the mixture bubbles up, lay the lamb shanks side by side on top of the onion, and remove the casserole from the heat. Lay a

sheet of greaseproof paper directly over the meat and cover with a well-fitting lid.

Put the casserole into an oven heated to 180°C (350°F) gas mark 4 and braise for 1 hour. Turn the meat over, cover again and braise for a further 1 hour, this time with the temperature reduced to 160°C (325°F) gas mark 3. Towards the end of this time, wash the spinach; top, tail, part-peel (ie remove the skin in stripes) and cube the aubergine; and heat a large frying pan.

Remove the cooked lamb shanks to a plate, cover and keep

them hot while you cook the spinach and aubergine (simultaneously but separately). Sauté the aubergine in olive oil in the hot frying pan, stir-frying the cubes briskly for a couple of minutes, then fry more gently and stir less often, for 2-3 minutes more.

Meanwhile, place the casserole over medium-low heat and let the braised onion mixture bubble gently for a few seconds. Add half the spinach, cover and leave for 1-2 minutes until the leaves begin to wilt. Stir them in. Add the rest of the spinach, cover and leave for

1-2 minutes more until the second batch begins to collapse. Then take off the lid and cook, stirring frequently, until the leaves are fully wilted and surplus liquid is driven off.

Quickly and gently fold the aubergine into the spinach, adding a little salt and black pepper. Lay the lamb shanks on the bed of vegetables.

Cover again with greaseproof paper and the lid, and return the casserole to the oven for 15 minutes or so before serving with couscous or rice, to which I sometimes add more finely chopped pickled lemon and a handful of coriander leaves.

Please feel free to send a list of the wines you own (they do not have to be grand), some idea of what you want from them (maximum pleasure, riches beyond the dreams of avarice, something to serve at a special dinner etc), together with a cheque made out to Comic Relief (Wine Relief), to Jancis Robinson, Weekend FT, 1 Southbank Bridge, London SE1 9HL by Red Nose Day on March 12. I reserve the right to return the list and the cheque if I feel the latter is out of kilter with the work entailed by the former. But I am sure, knowing the generosity of FT readers, that it is most unlikely I will have to exercise it.

Jancis Robinson

Watering Holes

A pub with the right priorities

Peter Millar starts an occasional, but thirst-quenching, series

In the 18th century churchyard of St Mary's the Victorian founders of the Chipping Norton Temperance Society must be turning in their tombs. What is England coming to? Its scenes?

It is bad enough that the testotters' meeting hall has been transformed into a theatre, famed for its annual pantomime. But it also has a bar.

Chalk up another round for Mammam. What can you do? The intermission sale of alcoholic refreshments plays an important role in keeping islands of culture flourishing in the countryside.

The ghosts steaming away in the wings may take small recompense from the fact that serious pre- (and post-) theatre tipplers still indulge their vice in the hostelry that once bore the brunt of their wrath: the Chequers Inn, two doors along.

Running a proper pub in a Midlands market town these days, even on the fringes of the Cotswolds, is a tightrope act. It is all very well having the rambles descend on a Saturday afternoon to massage their thermal socks and order half-pints of shandy and cups of coffee (why is it that only the well-to-do over-50s go for walks en masse?), but that does not help on a bleak Thursday night in February.

There are two obvious routes: both clearly signposted in nearly every small town in the country. One leads to the "foodie pub", little more than a second-rate restaurant in disguise, smugly scornful of honest drinkers. The alternative is the pool table path, complete with honking flashing slot machine and a jukebox belching out either Oasis or Tammy Wynette. Hardly a rural idyll.

The Chequers, miraculously, has escaped both fates. A log fire burns in the grate, a cluster of regulars gossip at the bar, the man from the bank, the chap from the butcher's, the fellow in the Stetson. It takes all sorts. The good landlord's achievement is to keep them.

The tables are a magnificent miscellany: long and narrow, like an old school bench - inscribed somewhere, I am sure, with "Fred loves Ethel" - or round and convivial, squeezed into corners, next to window seats from which to watch the pale winter sun set beyond old stone streets over a frothing pint of bitter.

When I first discovered the Chequers it had a piano player on Saturday lunchtimes. Not some twerp in a tuxedo, or a boisterous Mrs Mills playing honky tonk, but a local lad who might almost have been a customer just wandered in for a spot of practice. He tinkled out a medley from Gershwin to Lennon-McCartney, unassuming, as if no one was listening.

Often, of course, no one was. It didn't really matter. Easy listening in the true sense; miles better than muzak.

He has not been there of late. But the piano is waiting. As stacked on top of it, in old cardboard boxes, as they ought to be, are the eponymous chequers, and chess and backgammon. There to be used. Or not.

Modernisation has taken its toll, but tastefully. The little courtyard behind used to be a sheltered sun trap on

summer afternoons but hemmed in on four sides, the moments when the English sun let itself be trapped were all too few. And when it did, the weeds came too.

In the past year, it has been enclosed, with glass boards laid and a glass roof, a loss of some atmosphere perhaps, but the space created acts as an overflow - a pressure valve - for extra eaters at mealtimes.

Food in a pub can be both salvation and ruin. These days the pub trade is more likely to be assailed by fleeting fads. The latest - to which the Chequers has also succumbed - is Thai. But it is done well - duck strips with cashew nuts, yellow bean curry for example.

For those who still expect an English inn to serve English fare, there is fish that tastes as if it has been freshly battered (in the best possible sense) or an impressive plate of roast ham, both served with real chips made from real potatoes.

The ham comes with salad green bits - or at my 14-year-old son's insistence - a fried egg on top. All at prices - up to £6.95 - that

Old banks, trading houses and other gems have been returned to the public sector, socially speaking

won't break the bank even for a family of four.

The wines are modest. I would not recommend my colleague Jancis Robinson find herself marooned there) but the beers are not. Nor should they be. This is, and I come to it deliberately, late, a Fuller's pub.

The Chiswick brewer, which, with Young's of Wandsworth, bravely flew the flag for the capital when the country was capitalising to keg, has embarked on ambitious expansion in London.

Old banks, trading houses, and other gems of Victorian architecture have been brought back into the public sector - socially speaking - as bars. Fullers, the London brewer, is still a relative rarity in the countryside. Yet its ales supply a taste for real beer that is neglected in too many areas.

The champion, punchy, packing malty ESB and the light, refreshing, still flavoured Chiswick provides an unparalleled canvas, against which to assess quieter seasonal delights: the autumnal Red Fox or the deep dark Old Winter, which will soon be making way in its turn for the pale golden springtime Honey Dew. And in the middle of course, is the brewer's flagship: London Pride.

Josh Reid, the Chequers landlord, the big, bearded man behind the bar, has several times won prizes for the standard of his cellars. The pub has won so many awards in Fuller's own competitions that Josh has been asked on to the company's judging panel.

Pride in the provinces. And why not? The Chequers Inn, Chipping Norton, Oxfordshire. Tel: 01808-644777.

than 250 a bottle, and another for the rest of us. We were none the less able to drink a bottle of the stunning 1986 Vacqueyrat from Chateau des Tours at a modest mark-up.

The restaurant is just part of a complex of rooms at Che. There is a trendy bar at ground-floor level, and somewhere (I never discovered where) there is rumoured to be a foggy room where gentlemen (maybe even the odd lady) puff on huge Havana cigars and sip at snifters filled with cognac.

At least one side of life in St James's Street has not changed.

Che, 23 St James's Street, London SW1. Tel: 0171-747-5380. £30 a la carte before wine.

Pace has broken out in a business normally riven by cut-throat competition, the British wine trade. Or if not peace, then an unusual show of unity in support of an initiative launched last Thursday, the intriguingly named Wine Relief.

Wine Relief is an attempt to raise as much money as possible for the biennial British fundraising org called Comic Relief, celebrated in the UK by the wearing of red plastic noses.

A cynic may feel it was only a matter of time before a charity focused on something called Red Nose Day linked up with the wine trade, but the emphasis throughout Wine Relief is very much on quality rather than quantity.

It really is red nose day

Through events and activities bordering on the ridiculous around the last Red Nose Day, in 1997, an impressive 60 per cent of the UK population raised more than £27m for worthwhile projects in the UK and Africa. Wine Relief aims to add £1m to Comic Relief's total for this year's Red Nose Day, March 12.

One of the chief Wine Relief fundraising mechanisms is a simple guide to the basics of wine called The Good Nose written by me. Every leading supermarket and wine retailer will be stocking it and passing on at least 90p of its £1 cover price to Comic Relief.

Readers are encouraged to hold their own fundraising wine tastings, with detailed guidance on the mechanics and the retailers well briefed to supply suitable wines.

Independent wine merchants are also on board. Berry Bros of St James's Street, which will be dressing its shop staff in Regency costume and inviting customers to make a donation to Wine Relief, for example.

Of particular interest to FT readers should be a tasting of Justerini & Brooks' wines and fine wine auction on Monday at London's Institute of Directors in Pall Mall.

The lots include such rarities as a dozen mixed vintages of Quinta do Noval Nacional vintage port, from 1986 back to 1982 from Noval and an imperiale (eight bottles in one) of Mouton-Rothschild 1990 from The Rare Wine Cellar.

Anyone who would like to go along to this event should contact Carolynne Evans at Comic Relief on 0171 436 1122 or C.Evans@comicrelief.org.uk on Monday.

My special Wine Relief offer for Weekend FT readers is personal advice on their cellars and wine portfolios in exchange for a suitably generous donation.

Eating out / Giles MacDonogh

Eclectic - so I had the steak and kidney pie

Once upon a time, London's St James's Street was the centre of the fashionable world. Bucks and beaux strolled up and down admiring the pretty ladies in their carriages. Later it became associated with fusty gentlemen's clubs where noblemen put the world to rights over port and cigars.

For those not wishing to eat at their clubs - they might have had an assignation with a lady - there were always a few doughty restaurants, such as Wilton's, Overtons, or the lost, lamented Frontier, cousin to the two which formerly existed in Paris.

Now that the lustre of the clubs is somewhat tarnished

there has been a recrudescence. In the past three or four years restaurants have been popping up like mushrooms, and what is more, they are restaurants of a new, fashionable London type.

The latest is Che, significantly sited in the brutalist Economist Building, which destroyed the Georgian character of the street when it was put up in the 1960s.

The name commemorates the man who was everybody's favourite revolutionary at the time. It also

alludes to Cuba, the home of cigars, which are the new restaurant's stock-in-trade.

The journalists are still there, but the restaurant has taken over the front module, which used to be a bank. The designers have bravely tried to incorporate elements of its distinctly inelegant mammoth interior into the restaurant: a couple of escalators, for example, take you up and down from the dining room and the old, 1960s strip lighting is still there behind the frosted panels on the ceiling. The princ-

ple seems to be: you cannot make a silk purse out of a sow's ear.

You are better off inside looking out: the restaurant's best feature is indeed its view, and at first-floor level you look down on all those lordly fuddy-duddies in White's, Brook's, Boodle's, St James's Palace and the rest.

Naturally the menu follows the well-trodden eclectic route: around the world in 80 dishes, with a smattering of English standbys. A little plate of vegetables was accompanied by tapenade

and béarnaise sauces. Bread came chiefly with bits and bobs (olives, tomatoes, nuts etc), but there was also decent *pain de campagne*.

My guest came from another place with a foggy atmosphere: the Opera House. Che, with its minimalist, 1960s lines, must have made her feel at home: it was like so many recent sets - or lack of them - in this sad phase in the history of the House. She ordered a dish of *caponata*, where the usual Mediterranean vegetables had been joined by some

grilled haloumi cheese, and pronounced it good.

I had a little pat of mashed potato with some slices of cepes on top. The mash was properly sodden in butter and oil. I also tried a timbale of dressed crab which had been touched by the orient: there was coconut milk in the dressing.

The orient had more than touched my friend's main course. She tucked into a Thai green curry which came in some elegant fadish bowls. As I was in Clubland, I opted for steak

and kidney. It was a model pie: excellent shortcrust pastry, densely packed with well-flavoured steak and kidneys. Clearly, they are trying to lure in the buffers from across the road.

My friend gave up after the curry and I finished off with a dish of pudding rice with "winter fruits", chiefly dried figs.

Che is serious about wine and employs a proper sommelier in Tim McLaughlin-Green. He has two lists: one composed of posh clarets and burgundies costing more

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TRAVEL

Scents and sensibilities

Jill James follows her nose for a delightful day in Paris

I am easily excited. Railway stations, for example, never fail to send a frisson down my spine.

Even Waterloo, on a wet, wintry London morning, has the muted thrill of the unexpected. Teeming commuters. Families with enormous, cheap, bulging suitcases. Eurostar signs to Brussels, Lille and Paris.

I swear I would know which country I was in simply by the smell of its railway station. London I always associate with stale food smells and diesel fumes. Frankfurt with engine oil and the acrid smell of overcooked sausage. And Paris — ah, dear Paris. My nostrils have always linked Gare du Nord with fresh coffee and the whiff of expensive after-shave on unwashed Frenchmen.

Naturally, given the chance, I like to follow a different kind of scent. Guerlain for the most part. Givenchy and Chanel if you must. If you want nice smells you must go to nice places.

So I decided, one viciously wet week last month in London, to follow the scent of money. All the way to Hôtel de Crillon in

Paris, that most haute of palace hotels.

I long ago gave up the search for the "real" French travel experience. In practice, it usually meant trying to get on speaking terms with the local *hot polloi* in a bar somewhere. Now all pretence of a Bruce Chatwin-like search for the meaning of life through travel has been abandoned. These days I just want to enjoy myself — in nicely smelling surroundings.

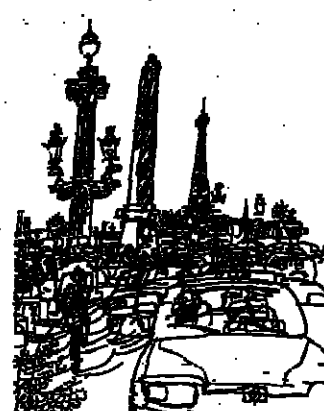
So it was that I found myself disembarking at 12.30pm in Paris after catching the 8.23am from Waterloo. A driver was waiting on the platform to whisk me, and my husband, to our destination.

My first sniff of the hotel was promising. I came in with Miss Dior and Eau Sauvage and was greeted by Pascal Bonnard, the fragrant and charming restaurant manager.

The Crillon dining room is easy not only on the nose but on the eye as well. Even winged silver chandeliers and velvet chairs become things of beauty when combined with less conspicuous wealth and knowledgeable young men ready to attend to your every whim.

Glasses of champagne were brought while we pondered the *menu d'affaires*, an altogether sicer title than the English "business menu" and the wine list. This, for some reason, reminded me of the big, lethal, leather-bound volume that was the star turn in *The Name of the Rose*.

It was only after much discussion with the *sommelier* that we settled on a wine that would carry us through all our various courses. Described by the wine waiter as *très spécial* — and by me as an absolute stunner — we ended up with a



bottle of Lucien Crochet's 1995 Sancerre, a *vendange tardive* wine that is made only if the vintage permits, the previous being 1990.

a touch of fennel-flavoured *crème fraîche* simply presented on a layer of coarse sea salt — a delightful surprise.

The first course proper, a leak terrine with truffled aspic and a fresh herb vinaigrette, was followed by scallops on a bed of endive with the most intensely flavoured chicken jus.

My husband, radiating bonhomie and a hint of Ingrams Shaving Cream, tackled the pigeon with confit of radish and grilled ratte potatoes.

Then the olfactory experience became almost too much. A cheeseboard with perfect cheeses was brought to the table. We settled on a princely Reblochon, a St Felicien of impeccable ripeness and a noble Cantal. A pear strudel and an *iced traffic* with fresh thyme, melted chocolate ganache and crystallised violets followed.

A business menu indeed. No wonder so many company bosses want to relocate to Paris.

We glanced at our watches and decided to forgo coffee since it was by now nearly a quarter to four. We bickered a bit about whether to go on a *bateau mouche*, since the day was clear and sunny, go to the Louvre, which is very close to the hotel, or potter about in the Jardin des Tuileries. In the end we settled for an hour or so in Les Galeries Lafayette, Paris's favourite store.

That is to say I went shopping. In the gourmet food department, while my husband drank his coffee in the sixth floor café. Weighed down with bags, I met him there 1½ hours later. A bit of a comedown from the Crillon you might think and an odd way to end the day. But I'll let you in on a secret: the self-service café has a great view of the Eiffel Tower and, at teatime on a winter's afternoon, you can

watch the sun set behind it. So, pleased with my purchases of French cheeses, hams, batters and sausages — all of a different quality and provenance from anything you can obtain in England — we hailed a cab. It is at this point, when all your senses are indulging in being part of another city, if only for a day, that you realise the wisdom of following your nose.

■ Jill James's day trip was arranged by Ted Wake of KIRK Holidays. Tel: 0171-231 3333, fax 4771 or e-mail: cities@kirk.holidays.co.uk

■ He can do the same for you at £299 a head. In addition to the Crillon lunch and a half bottle of champagne, the price includes first-class London-Paris returns on the Eurostar, drinks and two meals on the train and transfers. You probably won't want the meals if you're eating at the Crillon. However, early risers might manage Eurostar's breakfast of croissants, bread rolls and smoked salmon.

■ If you mention the Weekend FT KIRK might even throw in a *bateau mouche* ticket, too.

Skiing

Rosy sheen over the sound of silence

Arnie Wilson finds a superb combination of sunshine and fluffy powder when heliskiing in British Columbia

The snow was perfect. Cold, dry and deep. As we plunged down Notre Dame, a constant stream of powder sprayed my face. Like a garden sprinkler, my skis were delivering "face-shots" from top to bottom.

Half way down, our guide, Grant Statham, suggested we stop and listen to the emptiness of the Cariboo Mountains. Poised above the valley and facing huge, mist-shrouded monoliths of granite, we listened. In seconds, the sound of silence had become almost uncanny. I felt privileged to be there.

I had not been expecting anything — particularly remarkable from a small heliskiing operation called Crescent Spur. I was told the food would be good, the lodge warm and attractive, the groups small (a maximum of 14 guests are split into two groups), the cost reasonable, the people friendly and the skiing as good as any — an attractive combination.

Add astoundingly good snow, however, and the experience becomes unforgettable. Even the guides became excited. My journey into the British Columbia wilderness had started in Vancouver with a magnificent view of the Coastal Range, courtesy of Scary White.

Odd name for an airline captain, I had reflected. "Did he really say his name was Scary?" I asked Nancy, the stewardess on the short flight to Prince George. "Well, that's what I thought," she said. "I'll go and ask him." I gazed out at the mountains. The early morning sun was sending deep, black shadows across the peaks.

Nancy returned from the flight-deck of the Canadian Airlines Fokker F28 with a broad grin. "It's Gary," she said. It still sounded like Scary, even when she said it.

Nancy followed my gaze out of the window. Mount Waddington, at 13,168ft British Columbia's highest peak, shimmered on the horizon. "First time we've had a view like this for a while," she said, her eyes mirroring the piercing sunshine reflecting from the vast snow-drenched mountain range. "It's been grey from here to Winnipeg for days." It augured well for Crescent Spur.

"Pretty decent weather in Prince George," said the captain as we came into land. "But the temperature is minus 27." The cold air stabbed at my earlobes as I hurried towards the airport shuttle.

"If you want Crescent Spur, it's right across those mountains," volunteered our driver, Tom O'Brien. "It'll be pretty damn cold, too." Soon Doug and Donna Bend were driving me the final 100 miles of my journey. After picking up supplies, Doug could not wait to get out of town. "Us country boys and traffic don't mix too good," he said.

After about 50 miles, we passed Slim Creek. "The last little bit of civilization," said Doug. "All these tiny places started out as sawmills. Most of them closed down and a lot of places became ghost towns."

On the horizon, the Rockies were starting to turn pink. Even the endless carpet of spruce and pine had acquired a rosy sheen. Appropriately, for my first visit to Crescent Spur, a wafer-thin moon rose high above the wilderness.

At Crescent Spur I was greeted by the owners, Mark and Regina Aubrey, their daughter, Bryna, and Osa, an Australian sheepdog. Osa is here to help keep the bears away in summer.

Mark, also the chief guide, started the operation six years ago from a delightful timbered lodge that was once his family home. Some of the clearings we were to ski through were partly his handiwork. As a youngster he worked in the area as a logger himself.

'For run after run we floated almost weightlessly in the deepest of powder'

For five days our two groups — including an unusually high number of first-time heliskiers — would have skied ourselves into the ground if we could have found it. Instead we tried drowning ourselves in deep snow. But it was only day in Quartz Creek that really took our breath away.

For run after run we floated almost weightlessly in the lightest and deepest of powder. "It's like skiing in fluff," someone said.

Sunshine was a heart-warming bonus. Yet at dawn the weather had looked grey and murky and it had started to snow. Not ideal for flying helicopters.

"We'll just have to shoot a few holes in the sky," said

André Laffier, our Swiss-born pilot. He duly broke through the cloud in our Bell 204 and we landed at the top of Ya Baby.

Arguably the run of the day was Goldfinger. The pitch of the slope was near perfect as we wove our way round spruce and pine. The snow could not have been finer, or the grins broader. Crystal Ball was next and probably just as good.

It was at the top of Toothpick — so called because a forest fire some years ago has left charred trees and stumps sticking out of the snow — that André illustrated the full extent of his calm skills. By the time he had unloaded us, a dense bank of mist had shrouded the mountain. He took off almost blind, hovered for a full minute or so and then picked out some trees in the gloom to guide himself until he found clear skies again.

Later, he came back for more, dropping us off at the same cloud-covered peak. We finished with Plastikos, apparently named after some plastic surgeons who enjoyed the run, and a reprise of Ya Baby.

Back at the lodge, chunky Pacific smoked salmon and cream cheese awaited us, followed by a hearty and tasty dinner prepared by Crescent's chef, Jody Hollman.

■ Arnie Wilson's visit to Crescent Spur Heliskiing was arranged by James Orr Heliskiing, 0171-433 0300. He flew to Vancouver and Prince George with Canadian Airlines (reservations 0171-745 5000), which offers daily scheduled flights from London Heathrow. In Vancouver he stayed at Canadian Pacific's Hotel Vancouver, 900 West Georgia Street.



Crescent Spur: such astoundingly good snow that even the guides became excited

James Orr Heliskiing

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□ **GO GOYA:** catch the big Goya exhibition (ends March 14) in Lille with KIRK (0171-231 3333). A night at the 4-star Hotel Carlton, with train tickets and timed entry to the show, costs from £154. Eurostar, which stops at Lille, offers a special £98-for-two return fare there, until March 14; details from 0990-186186.

□ **POUND BARRIER:** Fly Concorde to Barbados for a week with Elegant Resorts on February 20, and the price drops £240 to £2,830 for half-board at the renovated Coral Reef Club.

Return flight is slower. Details on 01244-897111.

□ **LONG HAUL:** It's finally happened: all the planet's land surfaces are covered by guide books. Lonely Planet responds by taking over Ploce's diving guides (latest: Guam and Yap) and by going further afield. Not the *Only Planet* is a collection of extra-terrestrial science fiction stories: £5.99. In earth money. And Cadogan has already put out guide books to Mars — and to Hell; don't go without them.

□ **OK FOR SOUND:** Only £108 to get to Oklahoma! That's the musical, not the state, just moved to London's West End. Theatre-break (01904-679999) offers a weekend at a four-star hotel and top tickets to the show from £108. Theatre dinners available too.

□ **VIVA VILLA:** Stay in fincas, fortresses and farm-houses with International Chapters (444 0171-722 0722): plush villa rentals worldwide; brochures for regions from Mallorca to Marrakech and more.

□ **UPLOAD:** Learn computing and Internetting in the Swiss Alps with Regent Holidays (0117-921 1711): a one-week beginners' course from May 8 costs £495 including flights, half board and scenic coach trip.

□ **TRUE BRIT:** Stay in a 300-year-old cottage amid Oxfordshire orchards, or an 18th-century windmill in Norfolk: both, and 600 others, are in Special Places to Stay in Britain, from Alastair Sawday (444 0117 929 9921), just updated; £12.95.

□ **FLORIDART:** Arty times in Boca Raton, Florida, with Renoir at the art museum — and caricaturist Al Hirschfeld at the Museum of Cartoon Art. (Spot the word "Nina" in his drawings.) Stay at the Boca Raton Resort and Club (+1 561 447 3000), with two golf courses, from \$190 a night; shop at Liberties, one of the nicest US bookstores.

□ **HOLY STROLLER:** Israel has agreed the building of a submerged bridge in the Sea of Galilee, so tourists can seem to walk on water.

□ **FREE NIGHT** at Dale Hill Hotel in Ticehurst, East Sussex, if you go round its golf course in 80 or less. Small print: 01580-200112.

John Westbrooke

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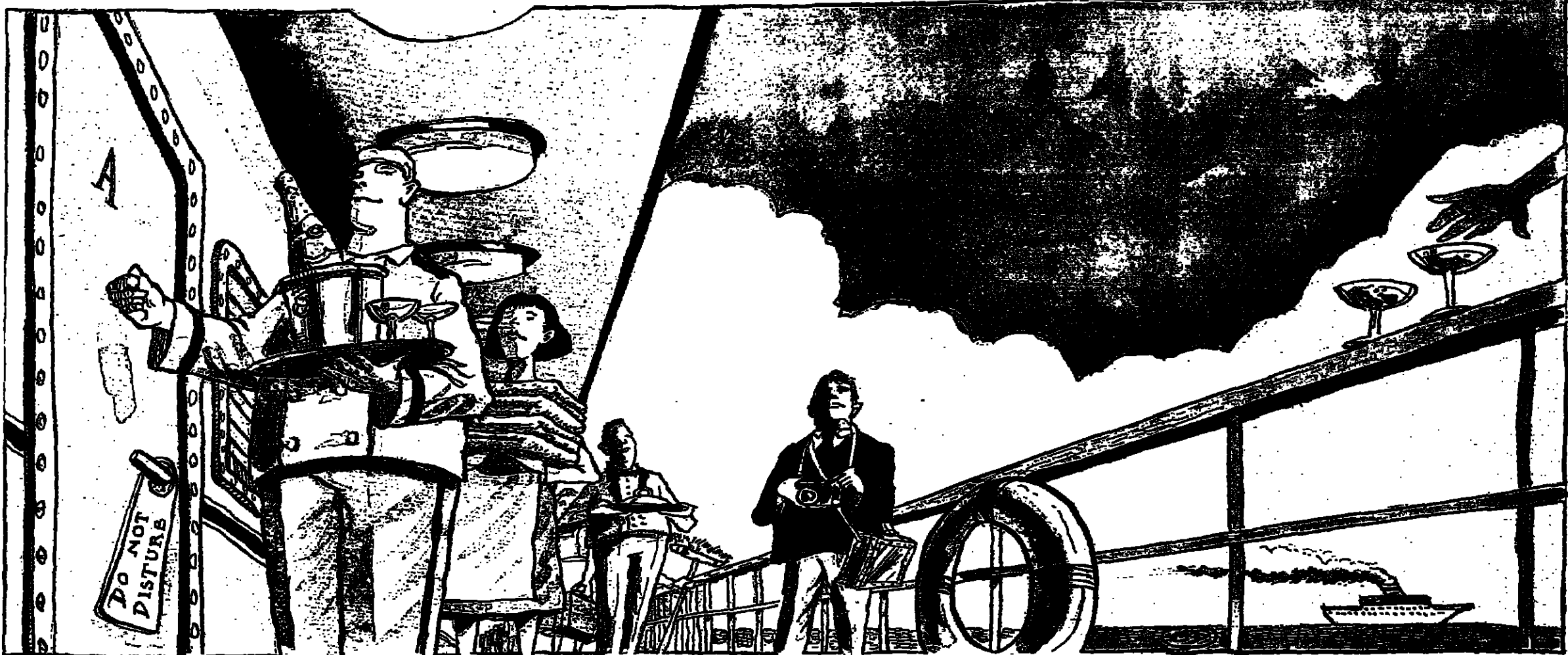
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TRAVEL



How I gave myself to sensual pleasure

A black porter squatted on the dockside, smoking. From his perch on a broken trolley he seemed to be staring straight into the ship's cabin, his eyes fixed on the champagne which poked out of its aluminium cooler on the table.

I wanted to open the bottle but was ashamed to do it in front of him. A rookie cruiser, newly embarked at Fort Lauderdale on one of the most expensive boats afloat, I was confused by the onset of sudden luxury; there were no fewer than 42 wooden hangers in the walk-in closet.

I hoped there would be other passengers like us, new to the role, I said to my wife as we hung over the rail on the upper deck that evening. We were still clasp champagne glasses and watching the embers of an infernal sunset which smouldered behind Florida's flat coastline.

To get on a ship, however luxurious, with a load of rich strangers in order to go nowhere in particular had always seemed to me the dullest way to spend one's free time, even if one could afford it. The horrors of nautical con-

finement have been described by Somerset Maugham in his short stories and by Katherine Anne Porter in her novel *Ship of Fools*. Even Mark Twain's *The Innocents Abroad*, a hilarious account of Americans on a Mediterranean cruise in 1867, was a kind of warning.

So it was a shock to find the other passengers (most of them) so agreeable. It was an even bigger shock to discover that, once you get the hang of it, cruising can be a lot of fun.

We quickly made friends with the couple from New York whom we first met at the afternoon muster. This parade, I later discovered, was not just to show us what lifeboats look like. It was to let the ship's photographer take pictures so that the crew could practise overnight putting faces to our names.

We soon got to know the Reluctant Bachelor, a frizzy-haired sky-lark from California with a smiling husband who recounted, in dramatic *sotto voce*, how she had

been caught on a sunbed when the fire-bell rang and 160 crew turned out to gaze on her nearly-naked person.

Some passengers we met much later in the 10-day voyage round the Gulf of Mexico. The Three Graces - one blonde, one brunette, one auburn - were lifelong friends who had saved for a reunion trip and had left their men behind. I had not been aware of the Southern Belle until she appeared on our table the final night with her alabaster skin, blonde hair and Alice band. Others we never met at all; they kept to their rooms for the entire trip.

Naïvely, I had supposed that cruising was a bore. But it is a bore only if you do not learn the secret I learned from an expert who has hundreds of seaborne days to her credit. It is this: the less you put in, the more you get out.

Doing nothing is not altogether easy. But on a vessel like the Seabourn Pride, which charges

between \$700 and \$3,000 a person a day, you have to learn to give in, to submit to the pampering like a man - or a grown-up baby.

Allow the waiter to carry your breakfast plate to the table. Let him call you "Mr". Order caviar

and champagne in the cabin before dinner. Lie around with a book or video from the ship's library. Crawl on to the dreaded sunbed. Your only task is to study carefully the dinner menu which arrives each morning - for the food is truly sensational.

I knew the do-nothing policy was correct when we visited the

gym one morning and found only one other couple in there. Therefore eat too much, drink too much, sleep too much. Nothing less than total abandonment to sensual pleasure will suffice.

For all these reasons, the true connoisseur prefers uninterrupted ocean crossings. My confidante, an Englishwoman (most Seabourn passengers are Americans), told me she rarely disembarks even when the ship calls at exotic ports; and she was as good as her word when we put in at the Yucatan peninsula, New Orleans and Key West. "If you want to keep getting off, you might as well take a bus," she said curtly.

She advised me also to avoid on-board games and lectures. Evening shows were OK, at least until you knew all the songs and jokes. She was wrong about the lectures, however. For we were intrigued by the talks of Jon Lomberg, an astronomical artist and friend of the late Carl Sagan, who designs messages for aliens

and our remote descendants. He told us how to look for the Green Flash when the sun disappears over a clear horizon.

The only time I saw our hard-core cruisers blench was when they were told to pack. Professionals hate to pack and unpack, and will stay on board for months in order to avoid it. The only snag about this, explained my lady friend, is that it can be tough finding enough outfits to dazzle the company for 84 nights in a row.

A cruise ship is a hotel on the move with servants more tolerant of your little foibles than the staff you left at home. One woman, on board for a five-month stint, wanted milk and cookies at 5.30 every morning and her make-up put on by the stewards. Some passengers demand a box of Kleenex at every corner of the bed. Some have a thing about how their shirts are folded. A few of the very oldest, I heard, are deposited on board by people looking

'I knew the do-nothing policy was correct when we found only one other couple in the gym'

strangely like lawyers, and act all at sea from the start. But who is going to quibble when these are the kinds of people who think nothing of signing a credit card slip for \$800,000, in advance?

The Seabourn Pride, like her sisters Spirit and Legend, are small and stylish ships, with a capacity of only 300. They are a tenth the size of monsters such as the Grand Princess, at which we gawped on the way out of port. This world's biggest cruise vessel looked nothing like a ship - more an apartment block which had fallen into the water.

On the way home we visited Miami's South Beach and lunched at the superlative Hotel Delano. It was smart, you could tell, because on every table people were talking on the phone while they chewed. It was smart all right. But now we knew better.

Christian Tyler was a guest of Seabourn Cruise Line, which sells the Americas, Europe and the Orient. Double cabins (suites) from \$1,300 per day. For UK inquiries call 01703-716634. In the US ring +305 463 3000.

Cruise news

Sailing through two millennia

If true exclusivity for the next 1,000 years is your plan, what better way to kick off the millennium than with a \$3.5m yacht charter?

The boat in question is the 100m (328ft) Christina, on which Aristotle Onassis wooed Jackie Kennedy. It has recently undergone a \$20m refurbishment.

For the millennium, it's available to the highest bidder - minimum offer is \$3.5m for a month's charter, starting on December 15. Eight people have already matched that, so you might have to dig deeper. As for where to stage your celebrations - the seven seas are at your disposal.

Bids to Christina Yachting: +30 1 42 80 889. Perhaps you would prefer something a little closer to land? The Pride of Bilbao, the largest ship to pass the Thames barrier, sails from Dover to Greenwich on December 31, so passengers can toast the millennium by the 0° meridian.

It will stop there for 30 hours, giving you time to watch the mega-fireworks from the decks (champagne provided), or take in other celebrations near at hand. For those staying on board, there will be a five-course black-tie dinner, live music, disco and dancing all night.

This will still be an exclusive business; it carries 2,000 passengers, but for the occasion will have only 800. Prices range from £785 to £1,045 per person. Call

Bridge Travel Service: 01992-456670.

If you would rather be somewhere further east, try the Millennium Cruise on the Deutschland, Peter

Deilmann's plush new cruise liner, liberally decorated with his art collection. Carrying 600 passengers, it leaves Singapore on December 21; January 1 will

be spent in Hong Kong.

The 19-day cruise costs from £4,776. For details: +44 0171-436 2931.

John Westbrooke

THEIR VIEW

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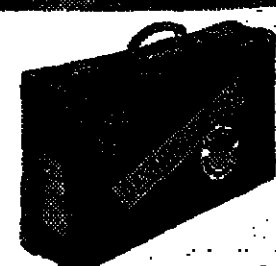
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Rolling along with Rudy in the nude

That's what happened on the full Clinton

Clinton was in the White House for the first time in 1998. He was the first president to be elected in a year when he was not the incumbent.

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TRAVEL

Rolling along with Rudy in the nude

That's entertainment on the ocean wave, says Bill Glenton

Cruise passengers get treated to a rich variety of entertainment - anything from spectacular shows to the dainty delight of flower-arranging. Yet nothing quite matched the performance staged for the benefit of more than 900 aboard the Marco Polo.

An open, pitching deck in a choppy Indian Ocean was an odd enough place to be given a wine demonstration by a personality more familiar in the stable surroundings of a TV studio. Even curiously was seeing wine pundit Jilly Golden appearing with a naked Rudolf Nureyev.

It has to be noted that she had her back to the famous dancer - and one could hardly describe it as erotic - not unless you get switched on by life-size nude statues.

As the bubbly presenter was discovering, a sturdy pair of sea legs is as vital as knowing vintage claret from plonk when it comes to shipboard lecturing. But this appearance, at least, proved much less of an ordeal than an earlier demonstration in the ship's theatre in stormier conditions.

Although she twice had to break off with sea-sickness s bravely battled on to the end.

Her co-presenter Nick Nairn, another TV star, dispatched a stronger stomach. Yet even he had a tough time proving his reputation as a "Ready Steady Cook" by keeping himself and his pots and pans balanced in the ocean swell.

Thankfully, on the 16-day voyage from Mombassa to Cape Town via the Spice Islands, there were far more stable periods. Golden told me: "Appearing in a cruise ship has its advantages over being in a studio - it's a great opportunity to meet viewers and really find out what they want to know about wine." It was clear, too, that the passengers reciprocated in kind. Being able to share a table or adjoining deckchairs with television personalities adds an extra gloss to a cruise. It is a big reason why so many lines now carry well known lecturers and theme their itineraries.

Lectures are also a handy way of filling gaps in entertainment during full days at sea. But there is always the fear that rough weather or, equally, the greater lure of sunbathing, will denote the talks of an audience.

No such worries on this trip. Jilly and Nick packed them in. Having passengers with good sea legs is an advantage - many elderly people suffer less from seasickness. And the majority in the Marco Polo were certainly mature in years.

It is the over 50s and 60s with time and money to spare who inevitably dominate the longer, more distant winter cruises.

The old-comrades atmosphere was emphasised in the club-like decor aboard. But, unusually, this cruise was a pure shipboard example of an Anglo-American alliance.

In most cruise vessels today Britons form only a small proportion of the passenger list. US citizens are by far in the majority. The number of ships with mostly UK passengers on board is comparatively small. Unusu-

ally, the Marco Polo is marketed equally in the UK and the US. Until recently British-owned, she is now operated by the US-based Norwegian Cruise Line.

Fortunately, the blend of nationalities aboard proved a happy balance.

The ship's lifestyle has certainly changed from the time when this traditionally designed vessel, moderately large at 20,000 tons, was operated by the Russians, first as a transatlantic liner and then as a cheap and cheerful cruise ship for Australians.

Bought eight years ago by Orient Line, then British-owned, from the cash-strapped Russians, the ship was totally refurbished. As well as improving accommodation, a lot of artwork - hence the Nureyev statue - was added.

The ship is a blend of the popular and the more exclusive. It tries to link the hings and bridge classes. On this trip it worked quite well.

There is enough space and range of amenities both on deck and below - from cardroom to casino - for all to find their level.

Marco Polo, in its twin role as an expedition ship, carries a fleet of small boats

Marco Polo has both better quality outside cabins and smaller inside ones. There is a choice between a well-serviced restaurant and a free-and-easy cafeteria. It would score more points, however, if the former had just a single sitting and not two, rather noisy sittings.

What really helps make her so popular are the exceptionally interesting worldwide itineraries - fairly unusual for a ship of its size. Throughout the year it cruises from the Mediterranean to Africa, Asia, Australasia and South America.

The star route is the circumnavigation of Antarctica. It is the largest ship to visit the ice-bound continent. For different chiller reasons, the Russians had the hull ice-strengthened so the ship could double as a cold war troopship. For more peaceful purposes, Orient Lines added a pad for helicopters to make sightseeing flights.

In its twin role as an expedition ship, Marco Polo also carries a fleet of Zodiacs, small boats which put passengers ashore in remote places. Wet landings can be fun when suitably clad but are damper in more ways than one when you are not. Such was the case for some when the ship made a maiden call at the smart resort of Plettenburg Bay, South Africa, when a problem with the landing stage led to a surf-tossed disembarkation on the beach.

On a winter sunshine cruise such as this, wetness disappears as fast as raindrops on a hot tin roof. Not drops on the memories of choppy days at sea linger when a cruise ends in a port as beautiful as Cape Town.

However, even Table Mountain took second place to the city's newest big attraction - the vast V and A shopping centre, which lured many of the passengers.

At least that intrepid shopper Marco Polo himself would have approved - even if Nureyev remained coldly indifferent.

This cruise costs from £2,950 to £5,750 for the first person in each of the accommodation with a half-price charge for the second occupant. Return flight included. For details of other cruises contact Orient Lines, 38 Park Street, London W1 3PE. Tel: 0171-409 2500. Fax: 2510.



Beware the seductive song of the cruise company sirens

Choose the right deal and you could end up with a bargain and an exotic trip, says Bill Glenton

As Odysseus knew fly-cruises. You will also see that, whatever the package, the value improves the longer the cruise because the air fare then forms a smaller percentage of the total cost. Sharing a short cruise with a resort stay also achieves the same benefit.

A reason for many of the fare oddities results from the peculiar differences in charges made by airlines to cruise companies on long-haul routes compared with European short-haul ones. It can be cheaper to fly to Florida than to Athens. Group rates on flights to Singapore have become such good value that some cruises from that port now cost markedly less than in 1998.

Yet this is only part of the explanation. Another important reason lies in the dominating influence of Americans on cruising worldwide. They form three-

quarters of all passengers, with most lines based in the US. What Britons pay is often determined there and is frequently fixed according to American demand. This creates a swings and roundabouts situation. British travellers benefit from the low rates paid in the US for cruises on its doorstep but suffer because of the higher charges made for Americans coming to Europe.

The takeover of European lines by US interests has magnified this. Cunard has now been merged with the giant Carnival Cruise consortium, which has also bought into Airtours and its cruises. The big Italian firm Costa is another to be swallowed up into a US company.

None of this appears to have damped the boom in cruise bookings in the UK, although much of that results from the increase in cheap mass voyages offered by package tour operators. With most lines increasing fares only slightly and some even reducing rates a little in 1999, demand could be maintained.

But with the threat of a recession, money-saving will be more important. Advantage should be taken of the discount deals offered by most companies - mainly for advance booking. These tend to be about 15 per cent but some are higher. Readers seeking top-quality cruises should also look for those that include tipping, drinks and tours within the fare.

The most seductive siren calls in 1999, however, will undoubtedly be the appeals to fly farther to more exotic seas in search of that "dream holiday". Flights of fancy will rarely have proved so well worth taking.

Bill Glenton's average daily cruise rates

Rate (£)	Ship name	Gross tons	Company	Rate (£)	Ship name	Gross tons	Company
150-175	Seabourn Legend	9,975	Seabourn	150-175	Elation	70,367	Carnival
175-200	Seabourn Pride	9,975	Seabourn	175-200	Enchantment of the Seas	74,137	Royal Caribbean
200-225	Seabourn Spirit	9,975	Seabourn	200-225	Freedom	70,367	Carnival
225-250	Sea Goddess I	4,280	Cornwall	225-250	Grandeur of the Seas	73,680	Royal Caribbean
250-275	Sea Goddess II	4,280	Cornwall	250-275	Imagination	70,367	Carnival
275-300	Heritiera Princess	2,172	Heritiera	275-300	Inspiration	70,367	Carnival
300-325	Seven Seas Navigator	30,000	Radisson	300-325	Inspiration	70,367	Carnival
325-350	Seven Seas Voyager	30,000	Radisson	325-350	Nordic Explorer	48,583	Royal Caribbean
350-375	Crystal Symphony	10,202	Crystal	350-375	Grandeur of the Seas	73,680	Royal Caribbean
375-400	Crystal Serenity	10,202	Crystal	375-400	Imagination	70,367	Carnival
400-425	Crystal Harmony	10,202	Crystal	400-425	Imagination	70,367	Carnival
425-450	Crystal Serenity	10,202	Crystal	425-450	Imagination	70,367	Carnival
450-475	Crystal Harmony	10,202	Crystal	450-475	Imagination	70,367	Carnival
475-500	Crystal Serenity	10,202	Crystal	475-500	Imagination	70,367	Carnival
500-525	Crystal Harmony	10,202	Crystal	500-525	Imagination	70,367	Carnival
525-550	Crystal Serenity	10,202	Crystal	525-550	Imagination	70,367	Carnival
550-575	Crystal Harmony	10,202	Crystal	550-575	Imagination	70,367	Carnival
575-600	Crystal Serenity	10,202	Crystal	575-600	Imagination	70,367	Carnival
600-625	Crystal Harmony	10,202	Crystal	600-625	Imagination	70,367	Carnival
625-650	Crystal Serenity	10,202	Crystal	625-650	Imagination	70,367	Carnival
650-675	Crystal Harmony	10,202	Crystal	650-675	Imagination	70,367	Carnival
675-700	Crystal Serenity	10,202	Crystal	675-700	Imagination	70,367	Carnival
700-725	Crystal Harmony	10,202	Crystal	700-725	Imagination	70,367	Carnival
725-750	Crystal Serenity	10,202	Crystal	725-750	Imagination	70,367	Carnival
750-775	Crystal Harmony	10,202	Crystal	750-775	Imagination	70,367	Carnival
775-800	Crystal Serenity	10,202	Crystal	775-800	Imagination	70,367	Carnival
800-825	Crystal Harmony	10,202	Crystal	800-825	Imagination	70,367	Carnival
825-850	Crystal Serenity	10,202	Crystal	825-850	Imagination	70,367	Carnival
850-875	Crystal Harmony	10,202	Crystal	850-875	Imagination	70,367	Carnival
875-900	Crystal Serenity	10,202	Crystal	875-900	Imagination	70,367	Carnival
900-925	Crystal Harmony	10,202	Crystal	900-925	Imagination	70,367	Carnival
925-950	Crystal Serenity	10,202	Crystal	925-950	Imagination	70,367	Carnival
950-975	Crystal Harmony	10,202	Crystal	950-975	Imagination	70,367	Carnival
975-1000	Crystal Serenity	10,202	Crystal	975-1000	Imagination	70,367	Carnival

These rates are based on a 14-day cruise to the Caribbean. Rates for other cruises will vary according to season, length of cruise, and the cost of the ship. The list does not include the only one-way cruise. The list does not include the only one-way cruise. The list does not include the only one-way cruise.

TRAVEL

City break

El Greco, Zurbarán and the fish market

Adam Hopkins finds out why Cadiz is so different from the rest of Spain

On its famous swan's neck promontory, protected from the land but not the sea, Cadiz is patently a daughter of the ocean. Cleansed by Atlantic spray, refreshed by Atlantic airs, it knows it is different from the rest of Spain; and especially from Andalusia, to which, in the ordinary manner of speaking, it belongs.

Where Andalusian rivals put on a chest-puffing bravura - Seville with its baroque and oranges, Granada with the Alhambra, all of them with carnations in their teeth and a sense of gypsy hair-dos - Cadiz is serious and intent, its 18th and 19th century houses going up and up on either side of straight and narrow streets, the houses themselves as straight as seams on perfectly arranged stockings.

It is slightly dark inside these streets and sometimes marginally claustrophobic, making the old part of town, right out on the promontory, a cool and secret place in summer. In winter it can be a bit of a wind-tunnel.

The modern town, still on the promontory but closer to the mainland, is less extreme in these respects. But an unmistakable sense of straightness underlines the older quarter's fame - for liberalism and humanism, for open-minded rationality, not always leading Andalusian virtues.

Wasn't it, after all, a centre for international commerce, stuffed full of foreigners with interesting and up-to-date ideas, back at the start of the 18th century? As

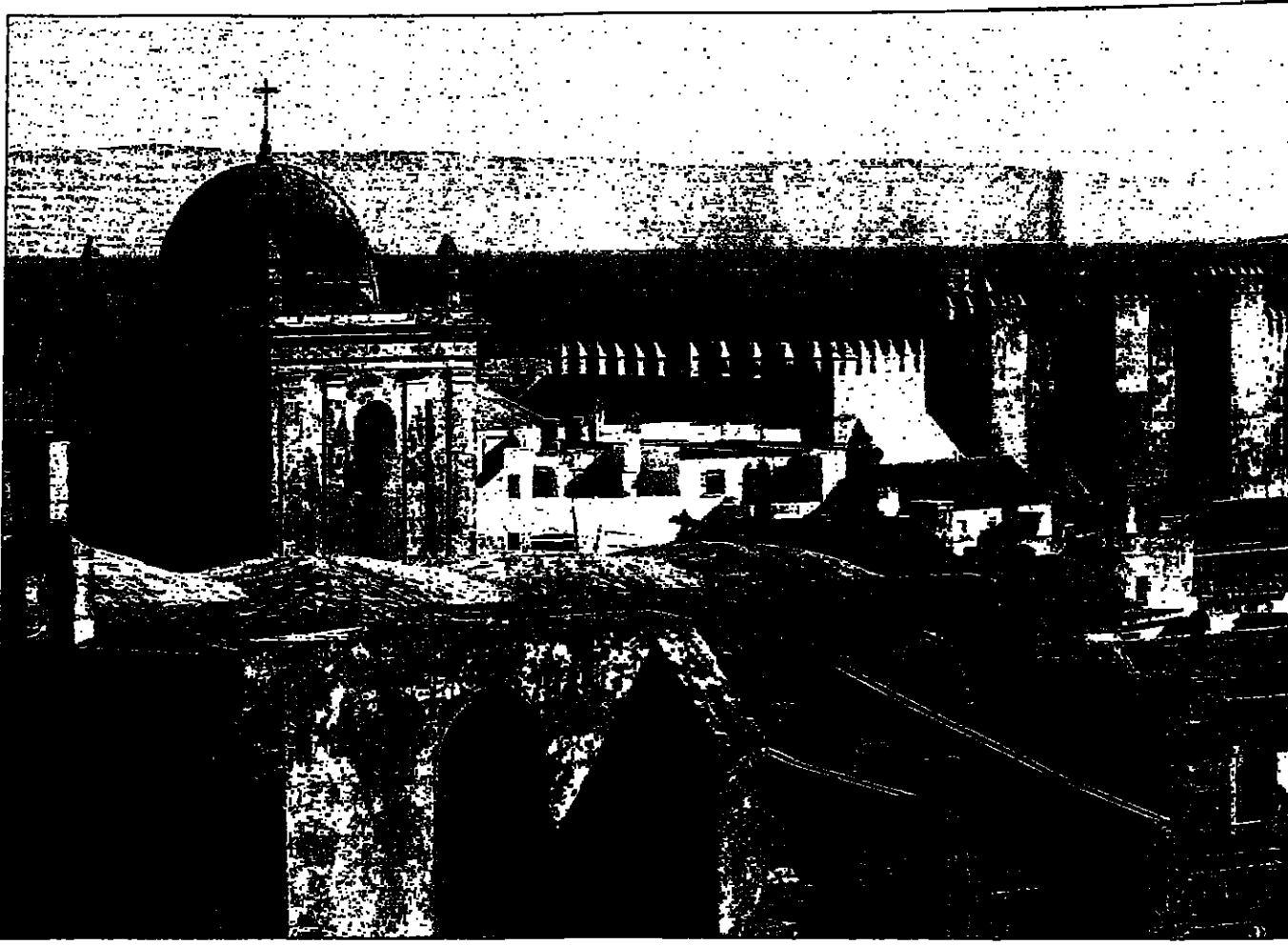
Seville lost its monopoly on trade with Latin America the palm passed to Cadiz. It started to develop exactly as Seville gave up.

And wasn't Cadiz Spain's leading city for newspaper publishing? Wasn't the great liberal constitution of 1812, which became the touchstone for the modernising aspirations of the nation, written right here, in the lovely elliptical oratory of San Felipe Neri, with Cadiz at liberty while the rest of Spain was laden with Napoleonic chains?

Well, yes, no one could really doubt that version, although it is a little harder to demonstrate than the tradition persists. But high above the city in his book-lined, picture-stuffed apartment, my new friend Javier Navasquez, former city architect, attempts to make the case by comparisons with lesser spots, and allegedly lesser people, elsewhere in Andalusia.

He once had a design job on a big ranch, he says, a real, swell, upper-class Andalusian finca, where the bedroom was so magnificent he hardly dared sleep in it. But more than that, his pyjamas, laid out nightly on the bed, were so beautifully ironed he didn't know whether or not to put them on. You wouldn't catch that happening in Cadiz, he says.

Then, rather naughtily, Javier goes on to tell of the private cinema on another finca where the owners were divided from their employees by a glass partition in case the odour of the latter gave offence to the former. That was a generation ago, maybe it no longer exists. But you certainly



Cadiz: serious and intent with an unmistakable sense of straightness

Michelle Chapman/Cortis

wouldn't find that in Cadiz, either.

Refreshed with a sense of local superiority, we barrel out into the streets for a glass of *manzanilla*, the supposedly salt-tasting sherry of nearby Sanlúcar de Barrameda. On the way, we pass through a tiny baroque quarter, predating the city of rationalism by a century.

"You have to put the baroque down to the Conde," says Javier. "The British raid of 1596 destroyed everything older in the city." He sounds quite pleased that the man he calls *el Conde*, which is to say England's very own Earl of Essex, had cleared the way for a nice bit of 17th century architecture.

In early evening darkness, this being January, we popped into baroque courtyards in mouldering mansions, now in multi-occupation. In one of them we counted 22 electricity meters, for 22 families, with plants in pots on every flat surface, the soft scent of washing everywhere and delicate vaulting over the ascending stairways. This is the home of some of the finest flamenco

music coming out of modern Andalusia.

In the adjoining (baroque) monastery of Santo Domingo monks were once prepared for missionary work in Latin America. "They might have done more good in Andalusia," says Javier caustically.

There is evidence to prove the city was founded by the Phoenicians

But the monastery makes the point that old Cadiz really was defined by its relationship with America. There is a small but elaborate image of the Virgin, a replica of an earlier one that used to sail with the Spanish fleet to and fro between Cadiz and the Americas. The younger version has to be content with voyages on the *Elcano*, the elegant sailing

ship used as a training vessel by the Spanish navy. "But the climate change is really terrible for her polychrome painting," says the young friar in charge, appearing at Javier's elbow.

In the end, we have our drink, raising our glasses to *el Conde de Essex*, somehow skipping Drake, who burned the old cathedral and the first version of the invincible Armada back in 1587.

Next day, at Javier's insistence, I visit the Women's Hospital, now the bishop's office, to view its brilliant baroque staircase, not huge but dividing and dividing into endless double sets of steps, all under super-fancy stucco ceilings. The hospital chapel houses El Greco's "Vision of St Francis", one of the finest works he ever managed. Surprises are there for the taking in Cadiz.

But mostly I spend my time in the Cadiz that I know best and, in the end, enjoy the most, because it is so different from the rest of Spain - the 18th/19th century town and parts immediately about. I wander and wander, having endless small adventures. One morning, the cleaner lets

me into the Oratory of San Felipe Neri. The effusive ornament of the chapel, where journalists sat for the debate on the constitution, illustrates the kind of thing the enlightened constitution-writers were struggling so hard against.

I spend a long morning at the Fine Arts Museum. It houses the magnificent set of paintings by Zurbarán for the Charterhouse of Jerez de la Frontera, including a rendering of St Hugh of Lincoln; it also houses the thrilling and often lovely archaeological evidence which proves the city was founded by the Phoenicians, as tradition has always maintained, and just possibly the oldest city of western Europe. (It became a pretty nifty Roman city, too. Their theatre, beside the Old Cathedral, is currently under excavation.)

But it wasn't all high culture, or not, at least, of the purely mental sort. The Cadiz fish market is a wonder - clean, clean-smelling, loaded with such a variety of creatures from the aquatic realm that those obliged to shop in British supermarkets may

have difficulty believing their eyes. Naturally, there are fine fish restaurants too.

I had always dreamt of eating at El Faro, one of Spain's top fish restaurants. Finally, this time, I make it - my choice falls on local tiger prawns. In present-day El Faro the prawns arrive in a fresh fruit and mayonnaise salad, with delicious olive oil followed by a dish of *rape* - which is to say angler-fish. Words cannot express its essence much better than they can explain El Greco or Zurbarán.

One thing leads to another in both the food and culture line. One day I pop out to Sanlúcar, where the Dukes of Medina Sidonia (memories of the Armada) had their palace. There I ate in another famous restaurant, El Bigote. The Moustache. Its (new or newish) upstairs dining-room looks out across the river Guadalquivir to the much-threatened, pine-green dunes of the Coto Donana. Here it is more tiger prawns and another local speciality, a fish called *urda*, unknown to my dictionary. Again it is a lunch I'm not complaining about.

I went to El Puerto de Santa Maria, another sherry-producing town, and to Medina Sidonia, a place with a tremendous history and a local belief it was founded by Phoenicians from Sidon (as opposed to the founders of Cadiz, who came from Tyre). I went to quite beautiful Arcos de la Frontera, perched white as a snowball on its cliff-top. And to Baza for the afternoon fishmarket. But every night - who wouldn't? - I came back to Cadiz.

■ *The nearest airport is Jerez de la Frontera. Also accessible from Seville, Gibraltar or even Málaga. Adam Hopkins stayed in the Cadiz parador, the Hotel Atlántico, a modern building. All (comfortable) rooms have good views. Book via Keytel in London. Tel: 0171-616 0306. From £55 b&b for two plus 7 per cent tax, booking fee is £7.05. If over 60, always check for possible discounts at paradores.*

■ *Car hire by Kirker Holidays. (call 0171-831 3333), which also offers breaks in the pleasing hotel Monasterio San Miguel in thoroughly Hispanic El Puerto de Santa Maria. From £375 for three nights per person, scheduled flights, b&b and car hire.*

■ *Reading: Michael Jacobs: A Guide to Andalusia (Pallis, £3.99). There is a good essay on Cadiz in Cities of Spain by David Gilmour (Pimlico, £10).*

■ *For more information: Spanish National Tourist Office, 34-35 Manchester Square, London W1M 5AP. Tel: 0171-486 8077.*

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PROPERTY / OUTDOORS

Gardening

Modern lessons of history

On reflection, Robin Lane Fox finds that landscapers in Georgian England often got it right

My garden is entering its teenage years and after wrestling long with the soil and weather, I think I have confirmed most of the prejudices with which I began. I now find that several of them are not so unusual. I have been reading some of the engaging writings on landscape in the history of Georgian England. At their most articulate, they often seem to be saying the same thing. My advice to unsure gardeners and garden improvers is to read them, adapt the bits which make sense and underpin your personal taste.

I enjoyed the letter on gardening which the Professor of Poetry in Oxford sent to his friend, the Reverend Wheeler, in 1751. Like the present Professor of Poetry, James Fenton, the then incumbent, Joseph Spence, was a keen landscape gardener. In 1751, he had reached my age and maturity seems to have inclined him to many of the same views.

Spence disliked fancy decoration, objects "like those ridiculous things called Chinese rails which are got now so much in fashion in town as well as in the country". I entirely agree; I dislike most of the pretentious cages of wrought iron or frilly little folies which find their way into gardens as supports for climbers.

Spence also attached the highest importance to the mixing of light and shade and emphasised that light should prevail in the foreground, "to give a joyous air". He connected this with the extreme importance of "variety in all things".

Variety did not mean bits of coloured gravel and an array of garden animals in imitation stone. It meant the varying of trees of different green, the mixing of land and water, the opposition of a grove and open ground and the varying of the different sorts of tree in each "grove".

I like this forgotten name "grove". Spence is a great source for the practices of landscape gardeners earlier in his century: he tells us how the famous William Kent used to insist that never more than three or four varieties of the same tree should be planted together in small clumps. He would also stake out a "grove" before planting in order to see that no

more than two of the stakes stood in line when viewed from any one angle. Modern fashion is to be much more regular and uniform with our copses. Greater eyes than ours saw it differently and on thinking about it, I feel that they were often right.

The boundaries of gardens are always extremely important. Spence owned 16 acres near Byfleet in Surrey. "God help us," he wrote, "we live in the neighbourhood of one of the most dreary, sandy heaths in Europe." From my hillside of Cotswold shingle, I sympathise, as I look through ageing canopies of leylandii conifers.

Spence urged his readers to conceal the boundaries of the garden wherever possible, not just by planting them with hedges but by sinking the fences in ditches or ha-ha's whenever possible. This taste is expensive and almost impossible in today's suburban countryside, but I do agree that we should try "to con-

trive the out-parts in order to unite well with the country round them". Every garden comes with a setting and surround and even if you want to block out the neighbour's beastly new house as soon as possible, ground which was all flat. Naturally, they did not have to mow it with a mini-tractor. I am less devoted to surprises than they are; I prefer the opinion of a character in a novel by Thomas Peacock in 1816. Something may be surprising on the first visit but "pray, Sir, by what name do you distinguish it when a person walks round the grounds for the second time?" The main viewer of the garden is the owner and owners simply cannot go on pretending to surprise themselves.

I also differ from Spence and his age in my preference for straight lines. They were reacting against the formal Dutch style and French avenues which continued into the 1720s and they were also thinking of the best shapes for woods and groups of park trees. Spence states that he has a "mortal aversion" to all angles and would much prefer walks to curve and be "serpentine" and the corners of all woods to be rounded off.

Nowadays, we are more bothered with the shape of flower beds than forests

you need to do it with hedging which suits the surrounding vegetation and sits properly in the view from the garden itself.

Spence and his friends were particularly concerned with surprise and variety. It was even felt that "very small swellings" would help if properly placed on

Nowadays, we are more bothered with the shape of flower beds than forests, and this particular taste from the Georgian golden age is in retreat. Most sites are ill-suited to beds with serpentine curves and fancy shapes. Actually, I think we all underestimate the boldness of long straight cross-views across the main axis of a garden and do not take the favour for straightness far enough.

Some of my own principles plainly did not bother the Georgian park-owner. I have learnt to be very careful about the season at which particular trees come into leaf. I would never choose a late-leaving mulberry, robinia or walnut as the main tree beside my house. This year, walnuts were struggling to recover from spring frost and establish proper leaves before June. I would also pay special heed to our grandfathers' opinion that the surrounding approach or courtyard to a house should be well set with

evergreens and early-flowering shrubs. Again, the question of furnishing a house's immediate surrounds did not concern our 18th century forebears.

What interested the Georgians by the 1750s was the limning of "beautiful nature". Nowadays, it is harder to think that nature is always so beautiful unless you view her through the idealised perspective of landscape painting. Where we can agree is that gardens should not be "too like works of art". Of course it is rather ridiculous to lay down a rule for all gardens everywhere, but I do sense a kindred spirit here across 200 years. It is not that formality or straightness are wrong to my eye, but my own particular ambition is that of a hard-pressed weekend gardener with too much ground to control.

My aim is that at each point in the season, it should look as though I had just died three weeks before. It takes skill and constant adjustment to learn how to seem to be dead when you are not. The results do wonders for the artlessness of a garden's appearance. They also do something for the constant sense of falling short of a workload which needs to be done. Pretend to be dead and conform to a basic principle in the way that sharp eyes have viewed gardens in the past two centuries of effort.



Lamper Head: a combination of 14th century and modern design high on a hill above the Dart valley

On the Move

Built to withstand a Devon earthquake

Gerald Cadogan on a wooden house near the sea

An extraordinary-looking house in Devon has the appearance of a property that has been there for centuries. But in spite of its medieval looks, it is only eight years old and combines the best of old and new building.

Lamper Head near Cornwall sits beside the river Dart under an oak cruck-frame construction in the main part of the building and Douglas fir in the wing.

This unusual property sits high on a hill above the Dart valley and has fabulous views.

The present owner planned the house with Rod James, architect with Chippenham-based Carpenter Oak & Woodland, which is an expert in old roofs. (The firm rebuilt the roof of the great kitchen at Windsor Castle after the fire, and has recently redone the hammer beam medieval roof at Stirling Castle.)

For Lamper Head it used oaks from Gloucestershire that had blown down in the great storm of 1987. The result is a sympathetic timber house, with plenty of light and good acoustics and a resilient frame in case of earthquakes, built to combine 14th century and modern design - the drainage system is an important non-medieval feature, for example.

The 47ft-long drawing room is particularly sensational, with three huge oak

A-frames, or crucks, and the garden includes a bothy built of straw bales, rendered inside and out, with a turf roof.

A unique house, it is priced at £750,000 from Jackson-Stops in Exeter (01393-214222).

Old wrecks

The old wrecks of England and Wales that sit awaiting restoration can now be found on the Internet. The campaigning conservation group, SAVE Britain's Heritage, has launched a national register of 1,000 buildings at risk, which concentrates on grade II buildings to complement English Heritage's register of grade I and II* buildings at risk. For Wales it will be the only national source of information.

Introductory information about SAVE and sample entries can be accessed at www.savebritainsheritage.org. A password for access to the full register, which has 400 entries at present but will reach 1,000 by May, costs £15 a year from SAVE.

Looking up

In Cornwall, Treara (Cornish for "the house on the cliff") overlooks the fishing village of Polperro and the cliffs. It is definitely not a place for the faint, as the only access is by a steep path. It would make an ideal

family holiday home and costs £295,000 from Fulfords in Plymouth (01752-202007).

'Uninhabitable'

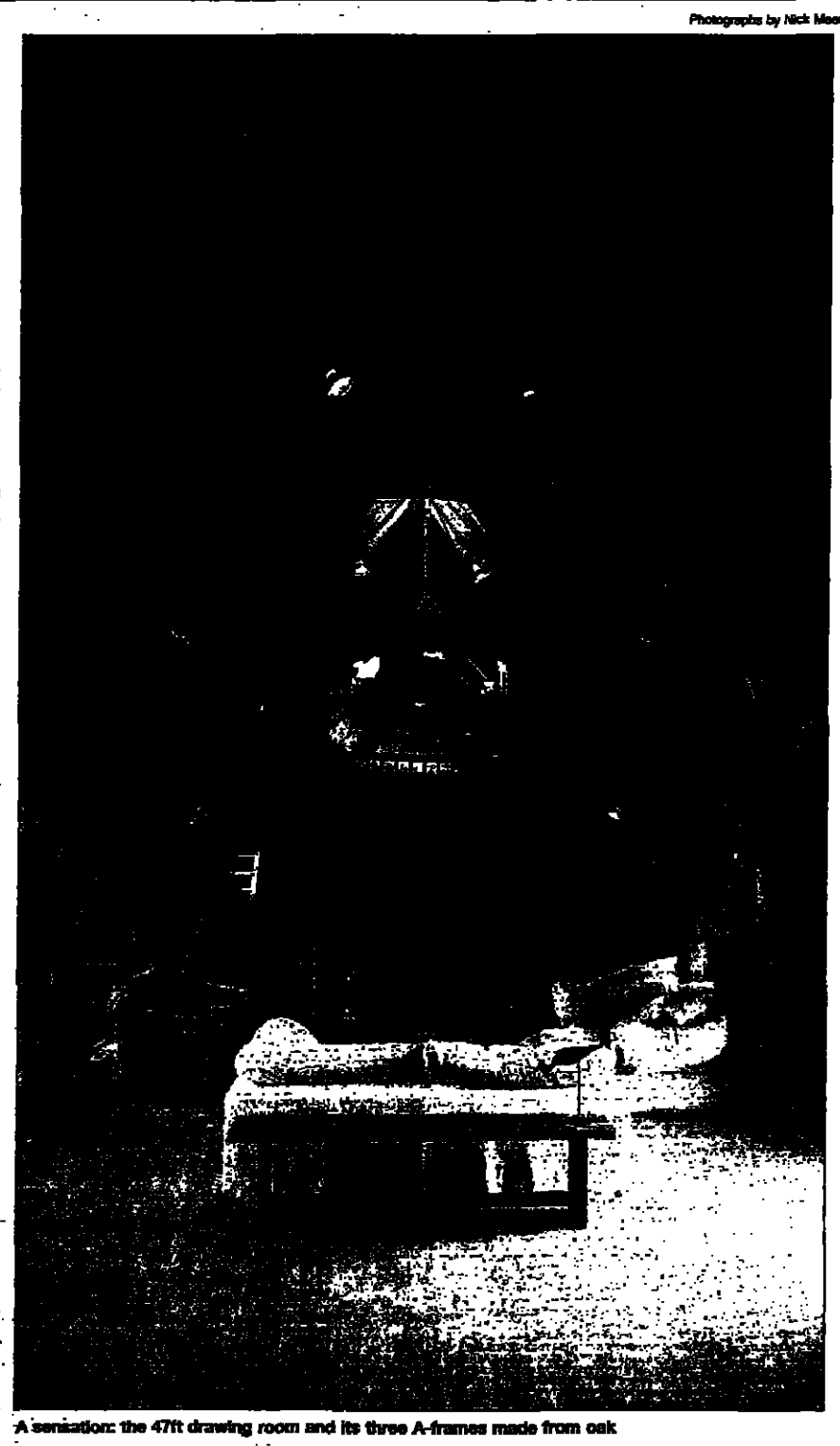
For a less strenuous life beside water, consider a canal - if you do not mind the passing traffic. At Irvinghoe on the Grand Union Canal in Buckinghamshire, the 1831 Seabrook Lock Cottage - a small Georgian box-house - is for sale for £270,000 from Cesare Nash in Tring (01442-827000).

On the edge of Newbury, on the Kennet and Avon Canal, The Boathouse at West Mills is a dilapidated Victorian building. Even the agent, Burroughs in Newbury (01635-521606), which is asking for offers about £150,000, agrees that it is "uninhabitable at present".

Boats were once made in the outbuildings and the property, which comes with five acres of water meadow which are available separately, has also been a butchery and a market garden. Access to it is over a swing bridge.

Urban palace

At the other end of the price scale, 19 Wilton Crescent and 15 Wilton Row, London SW7, form an urban palace in Belgravia costing £8.5m from Aylesford (0171-351-2233) for a lease which has 37 years to run. The ground rent, buyers will be relieved to hear, is just £150 a year.



A sensation: the 47ft drawing room and its three A-frames made from oak

Fishing

Cursing as I look out of the window

Tom Fort feels at the mercy of Britain's implacable climate

Once Mr Blair has sorted out the House of Lords, I wonder if he might focus his energies on a matter of even greater importance to the people of Britain. I refer, of course, to the weather.

The more I study it, the more intolerable it seems to me that a modern, dynamic society should be at the mercy of climatic conditions which are a law unto themselves, immune to any sense of what is useful and proper.

This autumn has enabled me to put my finger on the crux of the problem. Broadly speaking, there have been two species of weather: deluge accompanied by gales; and numbing cold. We have lurched from one to the other and back again, with scarcely anything in between. The effect for a busy man such as me is that it has been almost impossible to arrange a day's fishing. This is unacceptable.

I had planned such a day not long ago. I was to go after pike. My tackle was made ready, the snelly sprats to lure the fish were procured, all competing demands on my time had been fobbed off with various falsehoods and half-truths. And what did I find when I stepped outside? That the frost and anaemic sunshine promised by the forecasters had been joined by a leaf-rattling wind from the direction of Siberia, about which they had been sinfully silent.

My resolve failed at once. I saw myself with frozen fingers, ears a-tingle, drip trembling beneath red nose, feet like chunks of parma-frost, without hope of catching anything.

I knew as soon as I put my head outside the door that no pike would feed in my vicinity that day.

The previous week I had actually succeeded in going fishing. The reason was that, by the time I had realised that the wet sound outside was that of persistent rain, I had already made the sandwiches, checked my waders for leaks (incompetently, as it turned out), sorted through my flies, and built up a powerful urge to have a skirmish with that lovely and amenable autumn fish, the grayling.

My friend who was to take me to his water reminded me of my oft-repeated dictum, that grayling fishing should take place on soft, gentle days with the promise of an hour or two of sunshine around midday. He pointed out that this day did not correspond in any way to these principles. I told him that such days belonged to theory, that what he maintained was rain was in fact drizzle, and that he should cease bleating and start driving.

Actually, it did stop raining. Nor was there a puff of wind. For these small mercies we were duly grateful.

But it would be idle to pretend that the Wiltshire

countryside was at its best. It looked, and felt, as if a great, sodden, dirty handkerchief had been lain over it.

The Avon ran full and slightly coloured, but fishable. And fish we did, and fish we caught; for it is one of the numerous merits of the grayling that it will feed in almost any circumstances. There was even a smattering of fly on the surface, and a tiny dry fly brought both of us some moderate, but cheering, sport with not very big fish. My friend was also chased down his bank by a dog as big as a donkey, which gave me a good laugh.

Later we encountered the keeper, who told us we were in the wrong place for the better grayling.

By then, though, whatever half-light this dreariest, dankest of days had been able to boast was already leaking away. We decided it was time to forsake this dripping muck for home. It had been better than not going fishing, but not by the sort of margin to convince a fellow that the invention of November had been a good idea.

And that has been the sum of my autumn fishing.

My resolve failed. I saw myself with frozen fingers, ears a-tingle...

No tussles with barbel, no treading a worm for chub or perch, no heart-stopping lunge of pike in pursuit of a well-aimed sprat; nothing beyond looking out of the window, and cursing. My one consolation has been reading the best new fishing book in ages, Chris Yates's *Falling In Again* (Merlin Unwin £17.99), which is terrific.

It simply will not do. The country's several million anglers are entitled to something better. We need a national strategy - are you listening at Number 10? - to deliver to those of us whose happiness or prosperity is materially affected by the weather a reasonable ration of decent days.

As a first step, to show that the matter is being seriously addressed, I would suggest the establishment of a National Weather Authority, with a remit to examine all possible courses of action and produce a programme of effective measures. Yes, I accept that it will cost money to implement, and, no, I haven't the faintest idea what those measures might be.

But the government which, at long last, succeeds in making the weather our servant rather than our callosely capricious master will earn the gratitude of us all; and will probably remain in power for the next 100 years.

Come and
build a
town right
in my
backyard

On Tuesday, the first Examination in Public of regional plan-

problem is to build a town, centred on the old airfield which he



David Abbot

Stephen Sillery, head of estate agent Bidwells' planning department, believes the employers will not move. "Planning policy has been successful in moving houses, but not in moving jobs," he says. "Cambridge is the jewel in the crown for high-tech firms. There has been limited success in moving them elsewhere."

The key local authorities are

Peter Studdert, the city's director of planning, says the council accepts that Cambridge has a huge contribution to make to the UK economy and it wants to face up to the challenge. "For every acre of high-tech development

larger, densed airfield at Alconbury, 15 miles from Cambridge. "The 1,000-acre site is big enough to meet all the county's housing need," says Christopher Bird, who runs the CPRE branch in Cambridge.

Meanwhile, the housebuilders are busily fighting over every piece of land which becomes available for development. Bidwells reports that any site close

Cambridge University and the city's main hospital report difficulties in recruiting lower-paid staff because people cannot afford to move to the city.

Alison Quant, who sits in the county council's planning committee, points out that rising prices in Cambridge city are not neces-

For Peter Dawe, the result will have a more immediate impact. There is a decision not to build a new town he plans to leave the area. "If I don't win the argument, I will move to somewhere like Norwich," he says. "It's a question of quality of life."

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SPORT / MOTORING

How to punt it

For some reason, I have more luck backing individual soccer players than wagers on teams, and have found that "top scorer" betting can be relatively rewarding.

In midweek, Manchester United were 11-10 favourites to win the English Premiership, ahead of Chelsea (11-4), Arsenal (3-1), Aston Villa (16-1) and Liverpool (25-1).

Of more interest to me, however, were the top-scorer odds being quoted against the Premiership's glamour-boy strikers. For example, the biggest commercial bookmaker, was offering 9-4 against Liverpool's Michael Owen and 7-2 against Manchester United's Dwight Yorke finishing top scorer for the season.

Following last weekend's action, Owen had 13 Premiership goals to his name, Yorke 12 and Andy Cole, Yorke's colleague at Manchester United, 10. Other top-scorer odds from Ladbrokes included 4-1 Dion Dublin; 6-1 Cole, who was 66-1 at Ladbrokes at the start of the season; and 8-1 Robbie Fowler.

Some weeks ago, I bet £20 on Yorke to finish top Premiership scorer at 8-1. Last Saturday I wagered another £20 on him, at 9-2, and will put more bets on so long as he keeps on scoring.

However, before you make such bets it is vital you spend £1 on a copy of the Racing Post, which prints tables showing the odds different bookies are offering. Without these tables, you cannot possibly find the best value.

Last Saturday, for example, there were significant differences in the Premiership top-scorer odds being offered by the UK's biggest high-street betting firms.

Michael Owen was 2-1 at Ladbrokes but 11-4 (or 29-1) - 37.5 per cent more generous - at William Hill and the Tote, York was 3-1 at Hill and the Tote but 9-2 - 50 per cent more generous - at Ladbrokes. Alan Shearer may have been 33-1 at Ladbrokes but he was a bleak-hearted 20-1 at Hill, Stanley and the Tote. Without the Racing Post tables you do not stand an earthly of making a profit.

Neither do you if you live in an area unblest by a good choice of rival betting shops. I find the top-scorer race at least as exciting as the struggle between the clubs for the Premiership itself. Injuries always play a part, sidelining top players when they least expect it. It is also important to know if the players you fancy tend to take penalties, or not, and whether they are in transfer negotiations.

If you do not have your finger on that sort of thing, you will only be throwing more money at the bookies, whose mountainous profits are at present causing them acute embarrassment.

Michael Thompson-Noel

Road test

Sharp Focus looks to have a clear edge

Stuart Marshall samples several variants of Ford's award-winner

Obviously, Ford got it right with the Focus. At the end of last year it routed some worthy rivals to become European Car of the Year 98. Now, just three months after the Focus went on sale, more than 100,000 orders have come in from customers.

In the past few days the three-door and five-door hatchbacks have been joined by saloon and estate variants, each with four passenger doors. As an 1.8-litre turbo-diesel is also being offered as an alternative to the existing quartet of 1.4, 1.6, 1.8 and 2.0-litre petrol engines, the sales chart can only zoom up.

With so many excellent cars on offer in the small/medium family segment, what are the secrets of the Focus's success? First, it has eye-catching styling, which follows the fashionable trend set by the Ka, Puma and Cougar and makes the Escort (which the Focus will ultimately replace) look positively pedestrian.

Next, there is refinement, ride comfort, handling and road-holding that match those of far more costly cars. And third, there is the sheer attractiveness and user-friendliness of the interior.

Every control is exactly where your hand or foot expects to find it and they all work with smooth-

ness and precision. For example, tailgate or boot lid are opened, not by an external push or a lever that has to be groped for on the floor but by a button within fingertip reach of a hand on the steering wheel.

The radio controls are so bold and easy to understand that neither a magnifying glass nor a science degree is needed to get the right programme. (By itself, I reckon this is enough to tip the scales in favour of the Focus among mature but electronically illiterate prospective buyers.)

When I tried three new models - the 1.8-litre turbo-diesel hatchback, the 1.6-litre estate and the 2.0-litre saloon - in the south of France it was obvious that Ford had great faith in the all-round abilities of the Focus.

The test route ranged from the smooth, temptingly fast A8 autoroute to nearly deserted D-roads in the foothills of the Alpes Maritimes, with plenty of steep gradients, hairpin bends and rough surfaces.

This was not the kind of terrain on which to unveil a new turbo-diesel unless it had plenty of pulling power at low revs (it had) and could run smoothly and quietly at typical motorway cruising speeds (it did).

The fly-by-wire - electronic, not mechanical - linkage

Golf / Derek Lawrenson

All teed up for a vintage year

It is not often that January proves a momentous month in golf, but this year has proved an exception. David Duval's extraordinary score of 59 to win the Bob Hope Classic in Palm Springs has been the talk of clubhouses around the world. It was only the third time in US tour history that anyone had managed to break 60, and the first time a player had done so to win an event.

Naturally, it has been asked whether Duval's 59 was the finest round of golf ever played. Judged on the simple criteria of the quality of ball-striking, his supporters certainly have an argument. Normally, such freak rounds of scoring feature a high quotient of long putts, yet Duval's longest was 10ft.

Context, however, is everything, and in that regard a 59 in a tournament as modest as the Bob Hope pro-am on a generous Arnold Palmer course ought not to be compared with Johnny Miller's 63 to win the US Open in 1973 at the brutally penal Oakland.

As the profile of Duval on this page last October pointed out, people invariably get the wrong idea about this 27-year-old who hides his personality behind those wretched wraparound sunglasses that have become the rage.

A more engaging Duval was revealed in the post-round interview at the Bob Hope. As there was a chance of a play-off at the time, he was asked if he would be going out to hit a few practice balls. With a lovely shy smile he replied: "Yes, there's one or two things I need to work on." Not only the round of the year, therefore, but probably the quote of the year as well.

January's other big talking point in golf was the decision to award Ireland's first Ryder Cup in 2006 to another Palmer-designed venue, the K Club in Kildare. The great man built this course to a different specification from his venue in the Californian desert. The only way Duval or anybody else could get round the K Club in 59 was if they gave the par five 18th a miss.

The debate concerns whether such an historic occasion for Irish sport should take place on a course so American in its nature that visitors could forget themselves for thinking they were in the middle of Florida. The reason so many thousands of people visit Ireland each year to play is because of the links courses that are uniquely Irish.

Thus to ignore Portmarnock, one of the great links courses on the outskirts of Dublin and a proven tournament venue, in favour of an inland course a good hour's journey from where most spectators will be staying, was clearly a decision that had little to do with golf.

At least Ken Schofield, the executive director of the European Tour, had the grace to admit that the forces of commerce provided an overpowering argument. The K Club is owned by Michael Smurfit, who will be pumping millions into the tour over the next few years in return for the honour of hosting the Ryder Cup.

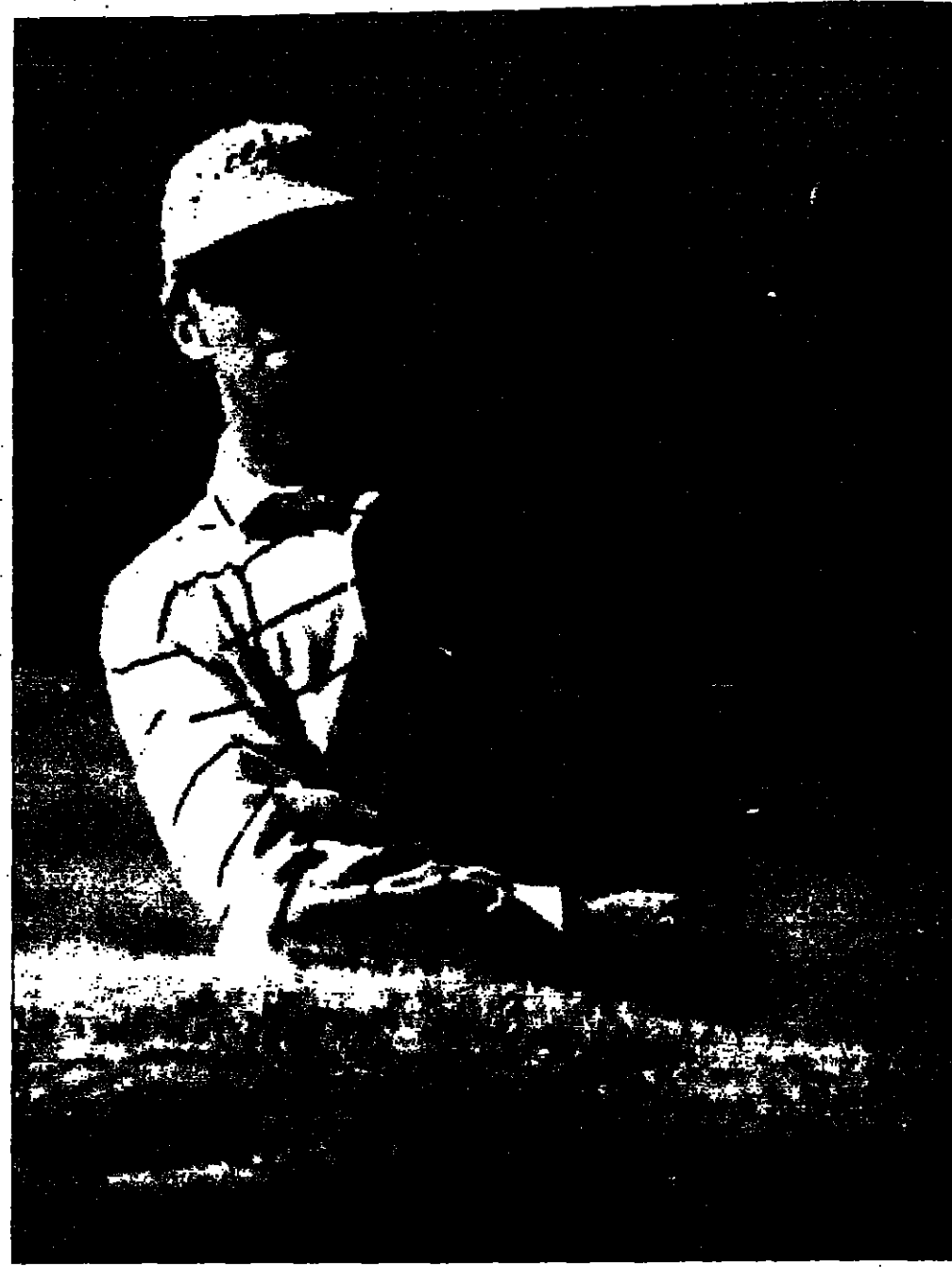
No one would argue about the quality of venues chosen for this year's most important golfing occasions. In June, the US Open will go for the first time to the No 2 course at Pinehurst in North Carolina, which to the mind of this correspondent, at

least, ranks alongside Augusta National as the finest inland course in America.

The following month the British Open returns for the first time in 24 years to Carnoustie, in Scotland, that bleak and daunting links that lies along the northern shores of the Firth of Tay. In August the USPGA will be played near Chicago, at Medinah, which offers no concession to error, while The Country Club in the Boston suburb of Brookline is a wonderful venue for the Ryder Cup in September, a course full of mystique and tradition - the European Tour, take note.

The cream of amateur golf will be spoiled as well. The British Amateur championship in June goes to Northern Ireland for only the second time in its history. Royal County Down is the venue, and no finer place to play golf exists in Britain. In September the Walker Cup takes place on another glorious links, Nairn, far up in the northern reaches of Scotland and arguably a better course than Royal Dornoch, the venue most golfing pilgrims journey to when heading that far up the east coast.

All this would normally constitute more than enough riches for one year, but this season there is a further, fascinating development with the advent of three World Championship tournaments. The first of these, and by far the most interesting, is a matchplay competition for the top 64 golfers in the world, which has the potential to be the most exciting event introduced into the golf calendar since Mark McCormack dreamed up something similar 35 years ago, but then only for the top eight play-



Mastery: David Duval's round of 59 in the Bob Hope Classic was the talk of clubhouses across the world. James Wood

ers, each autumn, at Wentworth, near London. The new tournament, by contrast, will be a far bigger affair. It takes place at La Costa in California from February 24-28, with a \$1m first prize.

It was not so long ago that golfers considered the Masters each April to be the annual rite of spring, the time when golf clubs were retrieved from the dark recesses of the garage. Now a

man shoots 59 in January, wins two tournaments and earns himself seven figures in the process. The hors d'oeuvres offered this month and in March promise to be equally appetising.

Rugby / Huw Richards

Five into six will go

the wonderfully versatile back who scored one of the most thrilling tries ever seen on British soil - a glorious solo effort from scrum-half against the US in the 1991 World Cup at Oyley - will not be around to see it following his premature death last month.

The final Five Nations competition will be played with half an eye on next autumn's World Cup. But it remains much more than a curtain-raiser, and the performances by Wales and Ireland against the touring Springboks offer hope that this year's competition will be a worthy, well-fought finale to 90 years of pentagonal competition, 20 seasons having been lost to world wars and the banning of France between 1932 and 1946.

Two teams are pursuing unprecedented achievement. France seek a third consecutive Grand Slam (victory against the

other four nations), a feat that proved beyond Will Carling's England, who were always liable to fall against unconsidered Celts, and also beyond the Welsh teams of the 1970s, who were rarely successful in Paris.

Second, England are pursuing a fifth consecutive Triple Crown (victory against Wales, Ireland and Scotland). Their current run equals the four in a row scored by Wales between 1976 and 1979.

Both would be formidable achievements. Yet it might be better for the credibility of the competition were both to fail. The enduring appeal of the Five Nations has rested on equality and unpredictability.

If those features were lost permanently, the voices within the English game who argue that the competition should be abandoned would gain strength.

One measure of the tourna-

ment's appeal has been its ability to sell out any stadium. So it is disturbing that Scotland's despair, reflected in a half-empty Murrayfield for the visit of South Africa last November 21, led to 10,000 tickets being available until recently for this afternoon's meeting with Wales.

There are no such worries at Dublin's Lansdowne Road where Ireland hope to follow the example set by the Ulster provincial team in last week's European Cup final in seeing off French opposition.

Whether Ulster's trio of victories over French visitors is sufficient to exorcise 14 consecutive losses at international level (another French win would equal the record set by Wales with 15 wins over France from 1906 to 1927) and Ireland's appalling home record - in the 1990s they have won more championship

points in Cardiff than at Lansdowne Road - is questionable.

But Ireland are at least pointing in the right direction. Their domestic structure is stable, effective and credible; their age-group teams are impressive; and they have real talent up front where the undoubted blow of injury to lock Malcolm Kelly renews opportunity for British Lion Jeremy Davidson.

If only their backs were half as good. Given two good-class hookers, it must be a serious temptation to try the ebullient Keith Wood. History at least appears to be on their side. Ireland won Triple Crowns in 1899 and 1949, so another this year would delight devotees of Kondratieff wave theory almost as much as it would Irish and neutral rugby fans.

Scotland, who play Wales at Murrayfield, don't mind what historical cycle they are in, so long

as they escape soon. Yet the injury to captain Bryan Redpath is worrying. Gary Armstrong is a well-qualified deputy scrum-half, but Redpath's service is necessary to get the best out of a gifted but inconsistent back division.

Little has gone right for the Scots since the depressing afternoon in 1996 when their Grand Slam hopes were stifled by England at their most negative. Much rests, psychologically, on the injection of southern hemisphere self-belief provided by New Zealand Scots such as the Leslie brothers, Longstaff and Metcalfe. Wales have already reaped the benefit of their New Zealand coach, Graham Henry, but memories of too many Welsh false dawns counsel against halting this one without something more palpable, such as a Triple Crown, to go on.

England can sit and watch today, comfortable in the knowledge that this year's fixtures - a France visit Twickenham while the "away" match against Wales is at Wembley, in London - favour them. The first Five Nations champions in 1910, England should also be the last.

Deals on Wheels

Maserati: pain and pleasure

Alessandro de Tommaso, rescuer of Maserati in 1975, only ceded control after a stroke in 1993.

Critics accused him of failing to uphold the Maserati tradition when he started production of the Biturbo, a machine further downmarket than anything the company had built before. It was cheaper than any previous Maserati and, sadly, far less reliable.

However, de Tommaso's legacy lives on in the Quattroporte and the last incarnation of the Biturbo, the latest Ghibli, which has only just ceased production. The best of the new Ghiblis was the Coupé model, a 210hp, 330-bhp fireball that left its 2.8-litre brother in its wake.

Roller-bearing turbochargers with added boost produced the greatest power per litre of any production engine. Only 26 right-hand drive models were imported into the UK and there are not many used versions on the market. It will take at least £25,000 to secure one and it will undoubtedly become a collector's car.

There are many more standard Ghiblis available for under £30,000. Try to avoid an early car. Worthy though it is, the post-October 1995 GT is the better bet with its stronger rear axle and anti-lock brakes. The most useful option about this model was that it could be ordered with a four-speed automatic gearbox.

Auto boxes cushion the

driver to some extent from turbo lag, the tendency of any turbocharger not to deliver power at low revs. Turbocharging is a double-edged sword; it allows the manufacturer to claim spectacular acceleration times but can also be risky for a driver. Trying to overtake without boost can leave you in difficulty just as much as allowing the car's turbo power to be used to excess.

The car is biased more towards touring than sports. Some drivers like their teeth to be rattled every time they go over a bump. If you want you can arrange this by adjusting the dampers to the hardest setting. But it does not suit the style of the car. Grip is not a problem except in the wet when its power must be respected.

Small adults can squeeze in the back but the space is truly suited to children.

The front seats were designed for Italians by Italians but other Europeans are able to achieve a comfortable driving position.

The very flashy clock should be mentioned as it can cause controversy. Professional road testers in general hate it but many customers say they love it and have bought the car because of it.

Only an Italian manufacturer could have built this car. What it does well mightly overshadows its faults.

Anthony Cazelet



Focus of attention: customers can choose from four petrol engines and a turbo-diesel for the new estate

between accelerator pedal and engine gave the Focus TDi the easy drivability, especially in traffic, of a petrol-engined car.

Unlike Citroën, Peugeot, Fiat and Mercedes, Ford has given its latest turbo-diesel a conventional mechanical injection system rather than a "common rail", which holds the fuel under constant high pressure, before it is injected under electronic control. But it does have direct injection, which makes it much more economical than the old indirect-injection unit from which it has been developed.

The official average for a 90-horsepower turbo-diesel Focus estate is 55.4mpg (5.1/100km); the petrol versions return at best 43.5 mpg (6.5/100km) for the 75-horsepower, 1.4-litre version, at worst 33.1 mpg (8.5/100km) for the 130-horsepower, 2.0-litre.

Very high overall gearing - at an indicated 100mph, the rev counter shows little more than

3,000rpm in top gear - would make any turbo-diesel Focus relaxed and long-legged autobahn cruiser.

Next I tried a petrol estate. Its 1.6-litre, 100-horsepower engine had to spin much faster than the diesel at a given road speed because the overall gearing was lower. But even in the hills the engine pulled hard enough at modest revolutions to make good progress without too much gear shifting. On the motorway, it sounded a mite busy but stayed silky. Although the estate's suspension was slightly firmer, the use of progressive rear springs made the unladen ride as good as the hatchback's. The slab-sided load space is said to make the Focus estate the best bulk carrier in its class.

Finally, I sampled a 2.0-litre Focus saloon, which felt a meatier car altogether; rather like a slightly shrunken Mondeo. At present, the only transmission

available throughout the Focus range is a five-speed manual with a light, positive shift.

Putting different rear ends on the original angular Focus hatchback has slightly softened the impact of its radical styling. Some say the saloon resembles a Ford Orion (a booted Escort) from the back. I thought the estate car's sloping roof gave it a similar profile to its Mercedes-Benz C-class equivalent.

On-the-road UK prices, which go up, model from model, in £500 increments, range from £13,000 for a 1.4-litre CL five-door to £16,000 for a 2.0-litre Ghia estate.

Various option packs include leather trim and powered rear windows (or cruise control) on Ghia models only for £1,500. One £500 pack provides side airbags, traction control and anti-lock brakes; another, a quick-clear heated windscreen, heated and power-adjusted door mirrors and air conditioning.

JP 11-6-150

INTERNATIONAL ARTS GUIDE

What's on around the world

AMSTERDAM

EXHIBITIONS

Rijksmuseum

Tel: 31-20-673 2121

● **Adriaen de Vries (1566-1626):** Imperial Sculptor. Major exhibition celebrating the work of the Dutch sculptor, who worked for Emperor Rudolf II among other European courts. Around 40 bronzes will be on display, borrowed from public and private collections in Europe and the US; to Mar 14

● **Asser:** Pioneer of Dutch photography. Nearly 200 photographs, including portraits and still lifes, made by Edouard Isaac Asser (1808-1894). The prints were produced by a variety of techniques with which Asser experimented before devoting his full attention to developing a method of photographic reproduction; to Mar 14

● **Van Gogh in the Rijksmuseum:** during the period of the Van Gogh Museum's closure for renovation and building work, a selection of its finest holdings are on show in the Rijksmuseum's South Wing; to Mar 7

OPERA

Netherlands Opera, Het Muziektheater

Tel: 31-20-551 8911

Carmen: by Bizet. New staging by Andreas Homoki, conducted by Edo de Waart. The designs are by Wolfgang Gussmann and Gabriele Jaenecke, and the cast includes Carmen Oprisanu and Martin Thompson; Feb 6, 9, 12

BARCELONA

EXHIBITIONS

Fundació Joan Miró

Tel: 34-93-329 1908

www.fundaciomiro.es

Magritte: celebrating the centenary of the artist's birth. Includes over 90 paintings and 50 photographs; to Feb 7

Museum Picasso

Tel: 34-3-319 6310

Picasso - Engravings 1900-1942: temporary exhibition of more than 250 works on loan from the Musée Picasso in Paris; to Apr 4

BERLIN

CONCERT

Konzerthaus

Tel: 49-30-203090

Berlin Symphony Orchestra: conducted by Eilahu Inbal in works by Liszt. With mezzo soprano Doris Soffel and pianists Donald Sulzen and Enrico Pace; Feb 6

OPERA

Deutsche Oper

Tel: 49-30-34384-01

Faust: by Gounod. Conducted by Sebastian Lang-Lessing in a staging by John Dew; Feb 12

BONN

EXHIBITION

Kunst- und Ausstellungshalle der Bundesrepublik Deutschland

Tel: 49-228-917 1200

www.kah-bonn.de

High Renaissance in the Vatican: Art and Culture at the Papal Court (1503-34). The early 16th century saw Rome establish itself as the centre of art in Europe: the Vatican commissioned work from such great artists as Leonardo da Vinci, Michelangelo and Raphael. This exhibition displays some of the masterpieces that resulted, as well as detailing the contexts in which they were produced; to Apr 11

BRUSSELS

CONCERT

Palais des Beaux Arts

San Francisco Symphony Orchestra

conducted by Michael Tilson Thomas

in works by Ives, Canteloube and Prokofiev, with soprano Christine Brewer; Feb 7

OPERA

La Monnaie

Tel: 32-2-229 1211

Lady Macbeth of Mtsensk conducted by Antonio Pappano in a new staging by Stein Winge, with sets by Benoit Dugard and costumes by Jorge Jara; Feb 7, 10, 12

DALLAS

OPERA

Dallas Opera

Tel: 1-214-443 1000

www.dallasopera.org

La Bohème: by Puccini. Conducted by Antonello Allemandi in a staging by Mark Lamos, with sets by Michael Yeagary; Feb 6

FORT WORTH

EXHIBITIONS

Kimbell Art Museum

Tel: 1-817-3282451

www.kimbellart.org

Matisse and Picasso: A Gentle Rivalry. More than 100 paintings, sculptures and drawings on loan from collections around the world make up this first-ever exhibition devoted to the relationship between the two great modernists; to May 2

FRANKFURT

CONCERT

Alte Oper

Tel: 49-69-134 0400

San Francisco Symphony Orchestra: conducted by Michael Tilson Thomas in works by Barber and Mahler, with violin soloist Gil Shaham; Feb 6

GLASGOW

OPERA

Theatre Royal



Joan Rodgers and Stella Doufalis in Scottish Opera's new staging of 'Der Rosenkavalier', opening tonight at Glasgow's Theatre Royal

Tel: 44-141-332 9000
Scottish Opera: Der Rosenkavalier, by R. Strauss. New staging by David McVicar, conducted by Richard Armstrong. The cast includes Joan Rodgers; Feb 6

HARTFORD

EXHIBITION

Wadsworth Atheneum

Tel: 1-719-639 7750

www.mha.org

Brassai: The Eye of Paris. A retrospective of Brassai's work that coincides with the 100th anniversary of his birth. Dubbed 'the eye of Paris' by Henry Miller, Brassai celebrated that city in photographic series like 'Dance', 'Society' and 'Griffith'. This exhibition includes the 'Paris at Night' series: photographs taken during nocturnal wanderings with the flâneur and poet Léon Paul Fargue; to Feb 28

HOUSTON

EXHIBITION

Museum of Fine Arts, Houston

Tel: 1-713-639 7750

www.mfa.org

Brassai: The Eye of Paris. A retrospective of Brassai's work that coincides with the 100th anniversary of his birth. Dubbed 'the eye of Paris' by Henry Miller, Brassai celebrated that city in photographic series like 'Dance', 'Society' and 'Griffith'. This exhibition includes the 'Paris at Night' series: photographs taken during nocturnal wanderings with the flâneur and poet Léon Paul Fargue; to Feb 28

THEATRE

Houston Grand Opera, Wortham Center

Tel: 1-713-227 2787

www.hgo.com

A Little Night Music: by Sondheim. Grant Gershon conducts a production by Michael Leeds, with a cast including Frederica von Stade, Thomas Allen and Sheri Greenawald; Feb 6, 9, 12

LAUSANNE

EXHIBITION

Musée Cantonal des Beaux-Arts

Tel: 41-21-312 8332

Courbet - artist and promoter: more than 70 paintings by Gustave Courbet (1819-77), including landscapes, portraits and nudes. The exhibition concentrates upon Courbet's artistic output after 1855, especially that produced during his exile in Switzerland; to Feb 21

LEEDS

THEATRE

West Yorkshire Playhouse

Tel: 44-113-213 7700

The Tempest: by Shakespeare. Jude Kelly directs a cast including Ian McKellen as Prospero, with designs by Robert Innes Hopkins; opens on Thursday

LILLE

EXHIBITION

Palais des Beaux Arts

Tel: 33-3-20 22 12 11

Goya: un regard libre. Small-scale exhibition which explores the range and peculiarities of the painter's work. The 50 works on display include loans from around the world; to Mar 14

LONDON

CONCERTS

Barbican Hall

Tel: 44-171-638 8891

● **London Symphony Orchestra:** conducted by Colin Davis in works by Beethoven and Elgar, with piano soloist Richard Goode; Feb 7

● **Vienna Symphony Orchestra:** conducted by Vladimir Fedoseyev in works by J. Strauss, Mozart and Beethoven, with piano soloist Artur Pizarro; Feb 11

EXHIBITIONS

Barbican Art Gallery

Tel: 44-171-638 8891

● **Africa by Africa: A Photographic View.** Spanning the breadth of photography produced in Africa since the 1920s. Includes works by Mama Cassel, Seydou Keita and Samuel Fosso; to Mar 28

● **Picasso and Photography:** The Dark Mirror. Exhibition exploring the influence of photography, and including photographic works by Picasso; to Mar 28

British Museum

Tel: 44-171-636 1555

The Golden Sword: Stamford Raffles and the East. Display bringing together biographical material with objects collected by the self-taught scholar who is chiefly remembered as the founder of Singapore. Includes musical instruments, masks, shadow puppets, and plant and animal drawings; to Apr 18

National Gallery

Tel: 44-171-639 3321

Portraits by Ingres: Images of an Epoch. 40 paintings and 50 drawings by the 19th century French painter. Includes major loans from museums in France, the US and elsewhere; to Apr 25, then touring to the US

Royal Academy of Arts

Tel: 44-171-300 8000

Monet in the 20th Century: arriving in London from Boston, this exhibition brings together late works by the founder of Impressionism. The 80 paintings on display include important public and private loans, culminating in a group of seven of the monumental water lily panels which were the triumph of his career. Also included are paintings of London and Venice; to Apr 18

OPERA

English National Opera, London Coliseum

Tel: 44-171-632 8300

La Traviata: by Verdi. Michael Lloyd conducts a staging by Jonathan Miller. Cast includes Claire Rutter and Alan Ople; Feb 6, 9, 12

THEATRE

Albery Theatre

Tel: 44-171-369 1740

Vassia: by Maxim Gorky. Howard Davies directs Peter Gill's new version of the Russian comedy, with Sheila Hancock in the title role

Barbican Theatre

Tel: 44-171-638 8891

● **The Merchant of Venice:** by Shakespeare. Royal Shakespeare Company production directed by Gregory Doran with designs by Robert Jones. The cast stars Philip Voss; in repertory to Mar 9

● **Measure for Measure:** by Shakespeare. Michael Boyd directs a Royal Shakespeare Company production with a cast including Clare Holman; in repertory to Mar 11

● **The Tempest:** by Shakespeare. Adrian Noble directs a Royal Shakespeare Company production, with a cast including David Calder; in repertory to Mar 4

Comedy Theatre

Tel: 44-171-369 1731

Little Macbeth and his Struggle Against the Eunuchs: by David Halliwell. First seen at Hampstead Theatre. Denis Lawson's production stars Ewan McGregor

Lyceum Theatre

Tel: 44-171-416 6099

Oklahoma: West End transfer for Trevor Nunn's National Theatre production of the Rodgers and Hammerstein musical

National Theatre, Cottesloe

Tel: 44-171-928 2252

The Riot: by Nick Darko. New work by the Cornish playwright about the Newlyn Riots of 1896. Co-production between Kneehigh Theatre and the National Theatre, directed by Mike Shepherd with a cast including Geoffrey Hutchings; opens on Thursday

National Theatre, Lyttelton

Tel: 44-171-452 3000

The Forest: by Alexander Ostrovsky. Adapted by Alan Ayckbourn and directed by Anthony Page, with a cast including Michael Feast, Frances de la Tour and Michael Williams

Piccadilly Theatre

Tel: 44-171-369 1734

Filmmens: by Eduardo de Filippo, translated by Timberlake Wertenbaker. Peter Hall directs Judi Dench and Michael Pennington; in repertory to Feb 27

Queen's Theatre

Tel: 44-171-494 5040

The Street of Crocodiles: revival of the Théâtre de Complicité production, based on writings by Bruno Schulz, adapted by Simon McBurney

LOS ANGELES

EXHIBITIONS

Los Angeles County Museum of Art

Tel: 1-213-857 6000

www.lacma.org

● **Ancient West Mexico:** Art of the Unknown Region: comprehensive overview of West Mexican art between 200 BC and 800; to Mar 29

● **June Wayne: A Retrospective.** Survey of the artist's printmaking work from 1946 to 1995; to Feb 15

● **Van Gogh's Van Goghs:** Masterpieces from the Van Gogh Museum, Amsterdam. Display of 70 paintings on loan during the period of the Dutch Museum's renovation, transferring to LA from Washington.

● **The Night:** exploring the development of the nocturne, or night time scene, in western art from the 15th to the 20th century. Includes early examples by artists including Cranach, baroque works by Caravaggio and his followers, and works by the German romantics; to Feb 7

NEW YORK

DANCE

New York City Ballet, New York State Theater

Tel: 1-212-870 6570

Celebrating Five Decades of Repertory: continuing 50th anniversary celebrations; Feb 6, 7, 9, 10, 11, 12

EXHIBITIONS

Guggenheim Museum

Tel: 1-212-423 3500

www.guggenheim.org

● **Jim Dine: Walking Memory.** 1959-1969. More than 100 works make up this survey of the American artist, including photographs, paintings and performance pieces; from Feb 12 to May 16

● **Picasso and the War Years** 1937-1945: more than 75 works - paintings, sculpture and works on paper - which together explore Picasso's response to the period which began with the Spanish Civil War and ended with the liberation of France. Includes major public and private loans; to May 9

Metropolitan Museum of Art

Tel: 1-212-879 5500

www.metmuseum.org

● **Cubism and Fashion:** examining the ways in which Cubism has been translated into fashion. The 40 examples on display include work by Gabrielle Chanel; to Mar 14

● **Dosso Dossi, Court Painter in Renaissance Ferrara:** Dosso Dossi was the last of the Ferrarese painters, much influenced by Giorgione and Titian. This exhibition includes rarely lent masterpieces from the Borghese Gallery in Rome and other European collections; to Mar 28

OPERA

Metropolitan Opera, Lincoln Center

Tel: 1-212-362 6000

www.metopera.org

Moses and Aaron: by Schoenberg. Conducted by James Levine in a staging by Graham Vick, with sets and costumes by Paul Brown. Cast includes Philip Langridge and John Tomlinson; Feb 8, 11

THEATRE

Classic Stage Company

Tel: 1-212-239 6200

The Misanthrope: by Molière, in a new version by Martin Crimp starring Uma Thurman and Roger Rees; previews

Cort Theatre

Tel: 1-212-239 6200

The Blue Room: Sam Mendes directs Nicole Kidman and Ian Glen in David Hare's new version of Schnitzler's La Ronde, transferred from London's Donmar Warehouse

Ethel Barrymore Theatre

Tel: 1-212-239 6200

Electra: Zoë Wannamaker plays the title role in David Leveaux's production of Sophocles' tragedy, in a new version by Frank McGuinness

Gramercy Theatre

Tel: 1-212-777 4900

Ashes to Ashes: Karel Reisz directs Lindsay Duncan and David Strathairn in Roundabout Theatre Company's staging of Harold Pinter's new play

Laura Pels Theatre

Tel: 1-212-719 9300

The Mincola Twins: by Paula Vogel. Black comedy, directed by Joe Mantello. Cast includes Swosie Kurtz and Mo'Nique; previews

Majestic Theatre, Brooklyn Academy of Music

Tel: 1-718-636 4100

Blue Heart: by Caryl Churchill. Double-bill of two one-act plays, first seen at the Royal Court in London. The

director is Max Stafford-Clark

PARIS

CONCERTS

Salle Pleyel

Tel: 33-1-4561 6589

Orchestre de Paris: conducted by Frans Brüggen in works by Bach, Mozart and Mendelssohn; Feb 10, 11

EXHIBITIONS

Grand Palais

Tel: 33-1-4413 1730

Un ami de Cézanne et de Van Gogh: le docteur Gachet (1828-1909). Exhibition devoted to the doctor and painter who was a friend to Cézanne, Pissarro, Monet and Renoir as well as to Van Gogh, who famously spent the last weeks of his life with Gachet at Auvers-sur-Oise; to Apr 26, then transferring to New York

Musée du Louvre

Tel: 33-1-4020 5151

www.louvre.fr

Eternal monuments of Ramses II: New Theban excavations. Display of the latest archaeological findings from the Egyptian pharaoh's tomb; from Feb 10 to May 10

OPERA

Théâtre des Champs Elysées

Tel: 33-1-4952 5050

Opéra National de Lyon: Zelmira, by Rossini. Conducted by Maurizio Benini in a staging by Yannis Kokkos. The title role is sung by Mariella Davis; Feb 10, 12

ROME

EXHIBITIONS

Palazzo delle Esposizioni

Tel: 39-06-474 5903

Poussin: Early Years in Rome. Display of 41 works produced between 1624 and 1628. The centrepiece is 'The sacking of the temple in Jerusalem by Titus' (1925/6), commissioned by the Barberini family and rediscovered by Denis Mahon, the show's curator. Includes major public and private loans from Europe and the US; to Mar 1

Palazzo Venezia

Tel: 39-06-941 2312

'700 Veneziano: Capolavori da Ca' Rezzonico. Display of 18th century Venetian art, lent by the Venetian museum to the Palazzo Venezia, which once housed the city's ambassador to Rome. Includes works by Canaletto, Guardi, Longhi and Carlevario, and Tiepolo's fresco cycle made for his villa at Zianigo; to Feb 18

TAMPERE

EXHIBITION

Sara Hildén Art Museum

Tel: 358-214 3134

www.tampere.fi/hiden

Tony Cragg: 33 sculptures and a large number of drawings by the British-born artist, now working in Germany. The works on display are from the period 1988-1998; to May 9

TOKYO

CONCERTS

Suntory Hall

Tel: 81-3-3584 9999

● **English Chamber Orchestra:** conducted by Norio Ohga in works by Mozart, with piano soloist Michie Koyama; Feb 11

Weekend Investor

Wall Street

Not just online but right off the charts

John Authers finds that even bad publicity cannot halt the internet mania

Bad publicity is usually bad for share prices. But the behaviour of online brokers this week suggests there are always exceptions. They are not so much online as off the charts.

During the week, it emerged that online brokers' investors were financing their deals by borrowing, creating greater risk for the companies themselves.

E*Trade, the third-largest online broker, underwent an ordeal under the steady eye of the press when its trading system went down briefly on Wednesday and Thursday.

Adding a whiff of political cordite, New York's attorney-general said he was launching an inquiry into the industry in response to complaints about delays and faulty service.

In spite of all this bad publicity, the shares did exactly what they should not have done, and gained. E*Trade started the week with an 18 per cent gain, on the back of a stock split, and has not slipped back.

Ameritrade, another of the best established online brokers, rallied from 80¢ at the beginning of the week to \$1.26 on Wednesday before slipping back yesterday to about \$1.04. It started the year (five weeks ago) at \$33.

Small brokers which have barely started to embrace the internet showed the most worrying signs of internet hype. Siebert Financial, a conventional discount broker moving to the web, peaked this week at \$70, up rather a lot from \$24 at the beginning of January.

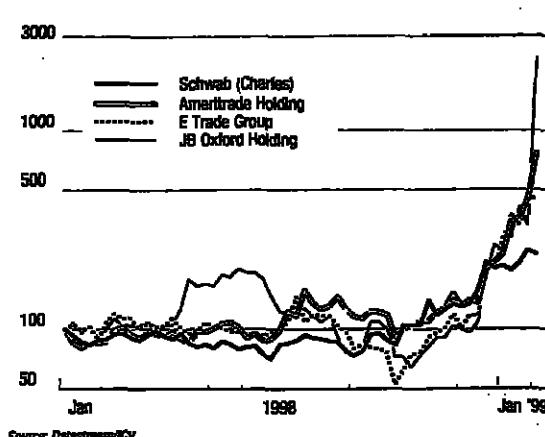
J.B. Oxford, a small Californian brokerage whose shares were available for less than 50 cents in the first week of January, touched \$25 before slipping back.

Activity among online brokers was the greatest of several alarming signals this week. There was little relief after the Federal Reserve decided on Wednesday not to raise interest rates. A rise had seemed a real possibility to stem signs of quickening economic activity.

But Thursday saw one of the biggest falls ever in the Nasdaq composite index, which is weighted towards the largest technology names. It slipped 3.3 per cent, losing 63.34 to 2,410.07.

Internet brokers: online and off the chart

Share prices released



the third-worst daily decline in its history. Again, the evolution of the market for computers was at the heart of the fluctuations. Shares in companies such as Intel, the largest semiconductor manufacturer, and Sun Microsystems fell more than 5 per cent in response to fears of a price war for computers.

All the evidence is that internet trading is booming, and that it has gained critical mass so far this year. A report from Credit Suisse First Boston showed that trades on the internet increased 34 per cent from the third to the fourth quarter of last year, to average 340,000 a day.

Charles Schwab, still comfortably the largest online broker, reports a sharp increase in trading even since then. These are good reasons to be bullish about the industry. But system black-outs, as suffered by several brokers as well as E*Trade, suggest problems. Online brokers are also seeing an alarming increase in "margin trading" where investors do not pay the full price of a share when they buy it. If the share price goes up, they get leveraged profits.

Brokers themselves bear some of the risk if the price goes down and the investors are unable to pay the original price in full.

This has forced online dealers to raise their margin requirements. On Monday, Schwab increased the proportion of equity that investors must hold in an account from 50 to 70 per cent for a

range of internet stocks. Waterhouse Securities has already imposed a 100 per cent requirement on the hottest internet stocks.

None of this sounds healthy. And there is one more glaring conceptual problem.

Online trading is a low-margin business - lower than conventional discount broking. It is just as prone to a price war as the mainstream computer market.

Schwab's own share price dipped alarmingly early last year when it became apparent that the firm's change in pricing structure, designed to move more clients to the web, was depressing profits. For later entrants, building a presence on the web, through low prices and heavy advertising, could be even more costly.

But, a year later, dealers appear to believe that the shares of discount brokers making a shift to the web should be bought, not sold. Only a massive increase in the total volume of shares traded on the internet can justify this.

Dealers are betting either on a big drop in market share for the likes of Merrill Lynch and Paine Webber and the other established conventional brokers, or for a huge expansion in the total volume of the market. That still looks like a gamble.

Still looks like a gamble.

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London

Oh, to be a fly on the wall

Philip Coggan looks at the latest rate cut

The big question is: were they being generous or did they know something awful about the economy or financial system?

"They" are the nine members of the Bank of England's monetary policy committee who surprised most people in the markets on Thursday when they cut base rates by a half, rather than a quarter, of a percentage point.

The stock market blipped upwards soon after the announcement but the enthusiasm failed to last.

After all, the reason most economists had predicted a quarter-point cut was that recent economic data had appeared to show the UK might avoid recession after all.

Fourth-quarter gross domestic product growth was stronger than expected and the surveys of business opinion, such as the Confederation of British Industry

Industrial Trends and the purchasing managers' index, appeared to show that confidence was improving.

So, the Bank had an excuse for caution, especially as its chosen measure of inflation, the underlying rate (which excludes mortgage interest payments), was actually above the 2.5 per cent target on the last measure.

Does it mean, therefore, that the Bank is privy to some awful economic information of which the rest of us are unaware? Not necessarily. It could be that it has decided merely to move swiftly to a "neutral" level of interest rates appropriate for the economic circumstances.

A neutral level of interest rates, like Goldilocks' porridge, is one that is just right - neither too high, so the economy slows, nor too low, so that it speeds up.

It is all a bit of a guess, but the assumption is in real

(excluding inflation) terms is 2 to 4 per cent. Given the 2.5 per cent inflation target, that implies nominal rates of 4.5 to 6.5 per cent. After Thursday's cut, the UK is right in the middle of the neutral range.

Where to from here? We will have a better idea of the committee's thinking after the inflation report is published on Wednesday, but a Reuters poll of 27 economists found that all but one expected a further cut in rates before June.

That should provide a measure of support for the UK stock market, which seems caught in a bit of a range at the moment. Having failed to close above the all-time peak of 6,179, the FTSE 100 index has been bouncing around between 5,850 and 6,100.

There has been a rather better performance from the smaller stocks and midcaps, which have picked up on the improving economic news



You'll like this cut - it's more generous than anyone expected

and a frenzy of takeover activity. By Thursday night, the FTSE 250 index had gained 7.8 per cent on the year and the SmallCap 63, but the Footsie had pushed up only 1 per cent.

Such news will be welcome to the long-desperating fans of smaller stocks - except that, many times before, a smallcap rally has started in the first months of the year only to peter out in the summer.

However, lower interest rates are perceived commonly as good news for this area of the market, which has a heavy manufacturing weighting and is more exposed to the UK economy than the multinational blue chips in the Footsie.

But while the Bank's actions may be good news for the market in the short term, does the new anti-inflation regime bode so well in the long term? The answer could be no, if the results of a new study are to be believed.

The team, at Barclays Capital, has looked at this issue as part of its annual equity-gilt study (now one of two competing products). The study examines the yield ratio, which is one of the most commonly used measures of comparing shares and bonds. For much of recent history, the ratio normally has been around 2. In other words bonds have yielded twice as much as the dividend yield on shares.

In theory, the higher the relative yield of bonds, the greater their attraction; when the difference narrows, the greater the temptation to

switch into shares. The present ratio (see graph) is around 1.5, well below the norm for the past 20 years, so that should make shares widely attractive.

Not so fast. The 1970s and 1980s were periods when inflation was rampant, eating into the fixed nominal value of bonds and forcing them to offer a high yield to attract buyers. But in today's more subdued inflationary environment, bonds are less exposed. They do not need to offer such a high return.

If the floor for the ratio is not 2, where is it? The team at Barclays Capital thinks that the crucial element is inflation. Broadly speaking, since 1918 the ratio has fallen into two ranges, depending on whether inflation is low or high - just above 2 or below 1.

Barclays uses a 15-year moving average for inflation as a proxy for investors' expectations. At the moment, that figure is 4.3 per cent. But in the past, when the average has been 2.5 per cent or below, the ratio has always been below 1; in other words, the yield on equities has been greater than that of gilts.

In other words, history suggests that, if the Bank hits the inflation target consistently, shares should have a higher yield than gilts. That should require some considerable outperformance by government bonds from even today's excited levels. Of course, it could mean that bonds do badly and shares do a lot worse.

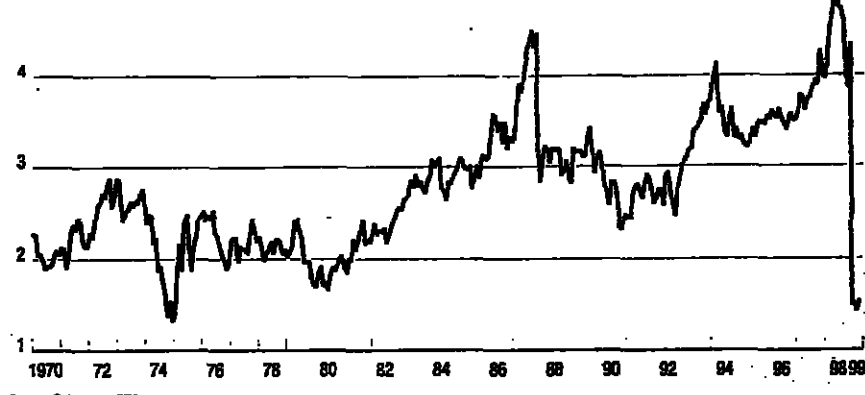
philip.coggan@ft.com

Does this make shares cheap?

6% Equity yield ratio

FT Government All Stocks redemption yield divided by dividend yield on Datastream UK total market index

5



Highlights of the week

	Price	Change	52 week	52 week	
	£/share	on week	High	Low	
FTSE 100 Index	5855.3	-40.7	6179.0	4648.7	Interest rate cycle doubts
Ado Wiggins Appleton	123	+20%	255	92%	Reaction to Q4 data
Bank of Scotland	636%	+72	866	457	Presentation to institutions
Barratt Developments	244%	+38	341	155%	Strong buildings
Delphi	555	+180	830	245	Agreed bid
EMI	480%	+60%	685	300	SBC Warburg "buy" recommendation
Fairway	305	+58%	590	230%	Positive broker comment
JBA	125	+41	1257%	50	Bit speculation
Reckitt & Colman	880	+81	1300	700	Vulnerable to bid after CEO resigns
Reuters	818%	-105	971	412	Internet premium evaporates
Serco	1465	+237%	1467%	755	Deal with Hovers
Stakis	141	+38	146%	79%	Bid approach
Sun Life & Provincial	461	-80	645	460	Pension competition fears
TeleWest	248%	-29	291	76%	Sector rotation
Weir Group	281	+74%	314%	161%	Takeover talks

Dow Jones Ind Average

Monday 9,345.70 - 13.13

Tuesday 9,274.12 - 71.58

Wednesday 9,366.81 + 92.69

Thursday 9,304.50 - 62.31

Friday

Friday

Friday

Friday

Friday

Friday

Friday

The difference between success and failure is paper thin.

FINANCIAL TIMES

No FT, no comment.

Barry Riley

America, right or wrong

Will the runaway locomotive come off the rails?



The American railroad engine is running at full power, but the old "locomotive" theory of global economic growth can scarcely work if the international carriages have become detached. Any way, on its own and dangerously unbalanced, will the runaway engine come off the rails?

Many developing countries are desperate for economic growth to raise their living standards. For decades, this seemed to be achievable. In the 1980s, GDP growth averaged 8 per cent a year in south-east Asia compared with 2.8 per cent in the US. Strategies were worked out for surplus capital to flow from the rich countries to the "emerging markets" where returns would be higher. As much as 20 per cent of British or US pension funds, it was argued by the bulls, should be invested for the long-term in Asia, Latin America and east Europe (although Africa was always beyond the pale). Fortunately, your pension plan never got nearly that enthusiastic.

Let's in the 1990s, though, something has gone horribly wrong. US growth has accelerated to 4 per cent, but south-east Asia and east Europe went into recession in 1998 and the Brazilian crisis appears likely to plunge Latin America as a whole into the same mess this year. Nobody knows what is really happening in China, although parts of Asia are now starting to recover.

International investors have been repatriating their money from almost all the emerging

markets. Global economic growth may be no more than 1.6 per cent in 1999, making this the weakest year since the recession of 1992.

The US blames Japan and, increasingly, continental Europe, which has suddenly decelerated, for this mess. It cannot understand why the sleeper coaches are refusing to couple up. Japan is simply imploding; its economy appears to have shrunk by 3 per cent last year, and the latest sharp rise in yen bond yields, with the associated strength of the yen against the dollar, might well trigger a further round of economic contraction later in 1999. Meanwhile, the euro-zone is obsessed with its internal politics. This week, the European Central Bank refused to reduce short-term interest rates even though the German economy appears to have hit a brick wall, core euro-zone inflation is less than 1 per cent, and the average unemployment rate in the region is 10.8 per cent and rising.

The Bank of England took a much more urgent line and, on Thursday, docked an unexpectedly large half a percentage point off its repo rate although, at 5½ per cent, this remains high in global terms. The disturbing worldwide trends must have played an important part in the thinking here. We may be pleased at the cut but perhaps we should be alarmed, too. The London stock market celebrated but soon had second thoughts.

To the Americans, the solutions are glaringly obvious. The Japanese must "monetise" their huge fiscal deficit - jargon for saying they must inflate away the excess of paper claims compared with the real wealth in the economy. The Europeans must inject flexibility (or you might say insecurity) into their labour markets as well as loosening their fiscal and monetary policies.

The trouble is, these other cultures are not easily going to rip up the structures of their societies in order to comply with an alien American vision. The fast-ageing Japanese population is obsessed with security, and scarcely at all with growth. Inflation is a young society's game, but the Japanese finance minister is 79 years old. In continental Europe, where ageing also plays a part, there is a preoccupation with solidarity - of social and political cohesion - of which the euro, for all its contradictions, is a powerful manifestation.

American policy recommendations can easily be seen as self-serving. They are designed to reduce the Japanese and European trade surpluses and rescue the dollar from its impending tumble. Temporarily, a wonderful bubble has been sustaining the US economy and, indeed, preserving the American president. Demand has been boosted by a Wall Street-based wealth effect (although one should point out that a not unconnected "poverty effect" is now engulfing much of the third world).

The US is becoming a massive debtor, however, and the overseas creditors, largely in Europe

and Japan, will have the final say in the end about how long the spree goes on. How long, fears of overheating affected the market, and the Federal Reserve might pluck up enough courage to raise rates next month, although it ducked Wednesday's opportunity.

We may wonder, however, whether there was something seriously wrong with the original development model. Exciting new technology was unleashed into a rapidly globalising world economy. In many emerging economies, imported know-how and imported capital were employed to potent effect. For years, Asian investment ran at twice the US level as a proportion of GDP. Excess supply and deflation may have been the inevitable consequences and not just in the third world, either thanks to better technology. Shell's North Sea crude oil production cost is only \$4.10 a barrel, one-third of what was protected back in 1990.

The hope must be that deflation will turn out to be associated with a falling prices boom like that of the 1890s rather than a 1930s-style falling prices slump. If so, a few growth sectors of the stock market will continue to boom, along with bonds. But the demographics of Japan and Europe do not give much excuse for optimism.

At any rate, if the global slump arrives, the Americans will have their excuses ready. It will all have been the fault of those who refused to jump on the gravy train, even though they were sent tickets.

For an interactive guide to personal finance, visit <http://www.FTQuicken.co.uk>

Diary of a Private Investor

■ Current takeover bids and mergers

[illegible]

Bids and deals

Volverbampton & Dudley breweries won its £265m battle for control of rival regional brewer Marston Thompson & Eveshead in a bid supported by investors with 73.45 per cent of the shares, writes *Don Blufsky*. David Thompson, managing director, described the vote as "an overwhelming endorsement of our strategy". The merged group will have a market capitalisation of more than £500m. W&D will pay £230 cash and 0.175 new shares for each Marston operator, should enter the fray.

- **Virgin Entertainment's** plans to sell its 232-store **Orn Price** music chain to Prudential Corporation's venture capital arm, **PFM Ventures**, fell apart following a price squabble. **VE**, the cinemas and retailing division of **Richard Branson's** empire, acquired **Virgin Orn Price** from **WH Smith** in July for £145m. It had hoped to raise £85m from the deal.
- **Federal-Mogul**, the US braking systems maker,

Shares in Stakis, the hotels and casinos group, jumped more than 20 per cent on news that the company had received a bid valuing it at more than £1bn. Balduke, owner of the Flibco brand outside the US, is thought to be the predator. The move is being touted as the first step in the consolidation of the UK hotel market.

But analysts said the bid might have to improve the offer if a rival suitor such as Accor, the French hotel

appears ready to mount a bid for LucasVarty, the UK-listed car components group. LucasVarty has received a 54bn takeover offer from TRW, the US steering systems and spacecraft manufacturer, pitched at 38p a share. Analysts speculated that Federal-Mogul, which last week proposed a 260p-a-share offer - half in cash, half in shares - would fatten up its cash offer. LucasVarty has said it would prefer TRW to win because such a deal would offer "greater synergies".

Week ahead

Tuesday Third quarter figures from British Airways are likely to show a dramatic fall as the drop in premium passengers weighs through. Broker BT Alex Brown expects a headline reduction in pre-tax profits of 82 per cent, to £45m, and an underlying

in sales for old products as patents expire while new products await approval.

Thursday ■ Shell Transport & Trading has been hit, along with other oil companies, because the oil price has remained at historically low levels. Net income for the last quarter

of last year is expected to have been between \$855m and \$1.13bn (\$1.7bn).

Friday

■ At Lloyds TSB, the figures for the year to December will be complicated by a series of exceptional elements, which are expected to include pensions mis-selling, lease write-downs, a restructuring at Countrywide and disposal gains.

■ A consensus from First Call suggests £3.06bn pre-tax, compared with the underlying £2.585bn last year and the headline figure of £3.1bn.

Martin Brice

Directors' dealings

The week's largest purchases was at Great Portland Estates, writes **Chris Hill**. Richard Peakin, chairman, bought 1m shares at 178p, while they have almost doubled over the past year. The broker recently upgraded them from "hold" to "buy" on the back of the price weakness.

There was continued buying at Marks and Spencer. The latest purchase was made by James Benfield, who has just taken up the new post of marketing direc-

tor. The post was created after a dramatic slump in profits. Benfield displayed confidence in his ability to help a revival when he bought 10,000 shares at 354p.

□ Robert Myers, managing director of United Overseas, significantly increased his holding when he picked up 1.06m shares at 14p. United Overseas specialises in distributing branded consumer goods but has seen its share price underperform the market by 50 per cent over the past year.

Stark and Spencer
Avg price (pence)

● January 14 1988
B Rastock bought
20,000 at 550p

● January 15 1989
Five technology directors bought
C E M Freeman 20,000 at 247p
Lord Dacre of Blackburn 8,000
15,000 at 348.5p

Kevin Goldstein-Jackson suggests that all may not be doom and gloom at the turn of the century

I know a man who is incredibly wealthy because of what his father did on the home front during the second world war. As German bombs rained down on London, the father would turn up at recently bombed sites in prime areas and buy them.

The sellers were so depressed by the damage that they were quick to accept the pittance he offered. The father reasoned that, whichever side won, the sites would be redeveloped eventually. When he

certain items are likely to be in particular demand.

Christmas day falls on a Saturday this year. The new year also dawns on a Saturday. With December 27, 28 and 31 being public holidays, many people may feel the need to stock up on food and cash to prepare for a long break from work from December 26 until the end of the new year celebrations.

Although banks are reassuring people that they are fully prepared for the millennium, the gloomsters may feel it is wise to with-

If there are millennium disaster films in the cinema or on television, many people may stock up on candles and portable gas cookers. There could also be heavy demand for bottled water.

So, camping goods shops should see a considerable increase in business, especially if people also buy sleeping bags and other items to protect against cold during possible power cuts.

They may also stock up on batteries and razor blades. This would be good for blade-maker Gillette.

the world is there anywhere that is likely to escape nuclear leaks or fall-out?

Anyone studying world maps, temperatures and wind directions, and looking for a place that has abundant food supplies with fertile ground for crops and animals, would find New Zealand soon appearing at the top of the list. Will property prices there increase as a result? And would the hotels boom?

What am I going to do? My personal pension fund already has shares in WSP, a British company of con-

Whenever hurricanes or earthquakes occur, commodity speculators will try to make money. Whenever there is damage or disaster, there will be someone trying to make money from it

short supply because of the destruction. Perhaps tea or coffee prices will rise.

Wherever there is damage and disaster, there will be someone, somewhere, trying to make money from it.

So who will benefit if computer programs fail to cope with the advent of the year 3000, causing the machines to believe it is 1999 and shut down or malfunction?

There are many views on the likely consequences of the so-called millennium bug. Some people believe it will be the end of the world as we know it, with power and communications knocked out for a long time, aircraft falling helplessly to earth and perhaps the inadvertent launch of nuclear missiles. Others think there will be just minor hiccups, rectified easily within hours or days. Whatever happens,

draw some cash well before the end of 1999 in case of bank computer failures. If there is a last-minute rush for cash, companies making banknote paper and printing currency should see a substantial increase in business.

Producers of timed food ought also to receive a boost from people stockpiling in case of a major disaster — especially if they are worried about powers cuts that will disable freezers.

Britain gets significant amounts of electricity from France. What if people feared a freezing January with power reductions or cuts because of problems with nuclear generating plants on the other side of the Channel? Many businesses may feel the need to play safe and buy or hire emergency generators.

which owns Duracell batteries.

In the US, some people believe that the effects of the millennium bug will be so serious that they will need to return to nature; thus, they are busy learning how to skin squirrels and rabbits and generally to live off the land. Demand for firearms will increase.

But what is the point of taking such precautions in a country that, if the doomsday is to be believed, has a large number of nuclear weapons that could malfunction or be the target of missiles fired in error from Russia and elsewhere? People in tents and ordinary houses would not survive a nuclear disaster.

As millennium day approaches, there could be a surge of people seeking a safe haven. But where in

that should profit from people stockpiling coffee, chocolate, tinned milk and other food. Nestlé also owns a number of bottled water companies, including Perrier.

Should I add to my investment list shares in companies such as Heinz, camping goods stores, manufacturers and hirers of emergency generating equipment, and candle and battery makers? Or the millennium bug approaches, might do this — or perhaps, like some other people, I could panic, sell everything and move to New Zealand in the hope of buying back everything at knockdown prices in a few years. However, I cannot help feeling that the people most likely to profit from bug problems will be lawyers involved in disputes with computer software companies. Think about it.

Week ahead

Wednesday
Third quarter figures from British Airways are likely to show a dramatic fall as the drop in premium passengers leads through. Broker BT Leach Brown expects a headline reduction in pre-tax profits of 82 per cent, to £45m, and an underlying eclipse of 28 per cent.

Reuters' shares have been very strong in recent weeks as the interest frenzy has increased to the media group. They have risen from 419p to 522p but have come off their high in recent days. The group suggested in December that trading could be difficult this year and some analysts are expecting a marked fall in profits from this year's £269m pre-tax.

Thursday
Pharmaceuticals group Astra is expected to report a pre-tax profit of between £100m and £300m (£111m for the year). The fall is likely to have been caused by a drop in sales for old products as patents expire while new products await approval.

Thursday
■ Shell Transport & Trading has been hit, along with other oil companies, because the oil price has remained at historically low levels. Net income for the last quarter of last year is expected to have been between \$85m and \$1.15bn (£1.7bn).

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Martin Brice

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